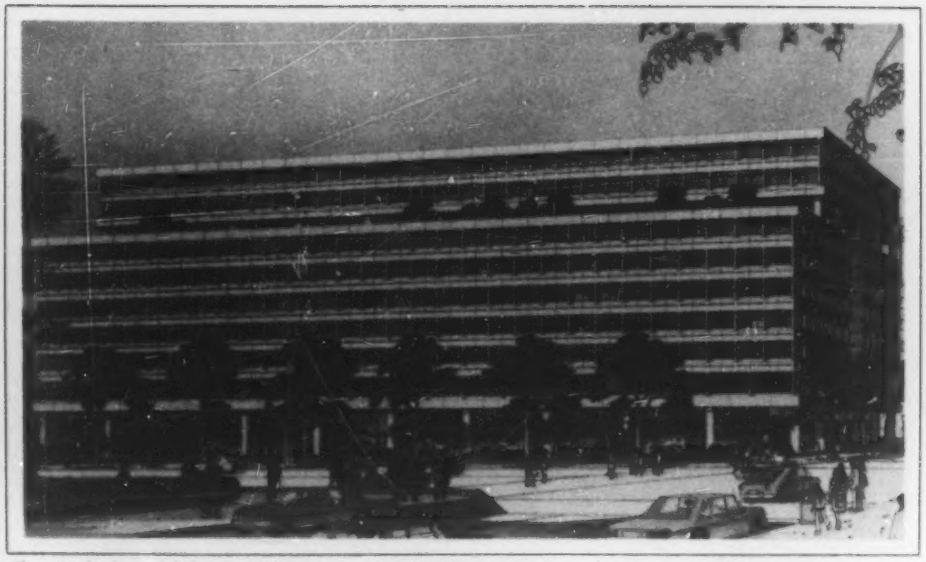
S1610-1-F



The Judiciary Plaza Building at 450-5th Street, N.W., where the Public Service Commission is presently located.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

1987 ANNUAL REPORT

Public Service Commission of the District of Columbia

450 5TH STREET, N.W.
WASHINGTON, D.C. 20001
(202) 626-5100

IN REPLY REFER TO

The Honorable Marion Barry, Jr.
Mayor, District of Columbia
Room 520, District Building
Washington, D.C. 20004

Dear Mayor Barry,

In accordance with D.C. Code Section 43-519 (1986), we have the honor to submit to you the 1987 Annual Report of the Public Service Commission of the District of Columbia.

Respectfully submitted,

Patricia M. Worthy, Chairman
Ruth Hankins-Nesbitt, Commissioner
Wesley H. Long, Commissioner

cc: Members of the Council
of the District of Columbia

TABLE OF CONTENTS
1987

Page

Biographies
- Chairman Patricia M. Worthy 1
- Commissioner Ruth Hankins-Nesbitt 2
- Commissioner Wesley H. Long 4

Introduction to the Public Service Commission 5

Departmental Overview—

- Office of the Executive Director 7
- Office of the General Counsel 7
- Office of the Commission Secretary 8
- Office of Accounting and Finance 10
  - Uniform System of Accounts 12
- Office of Consumer Services 12
- Office of Economics 14
- Office of Engineering 16
- Office of Securities 16
  - Statistical Data with Respect to Agent-Broker-Dealer Licenses 17
  - Broker-Dealer Initial and Renewal Licenses Issued in 1987 17
  - Initial Agent Applicants 17
  - Filing Fees 17

Financial Statements of the Major Utilities 18
- Potomac Electric Power Company
- The Chesapeake and Potomac Telephone Company
- Washington Gas Light Company

PATRICIA M. WORTHY
Chairman

An attorney, Ms. Worthy was appointed Commissioner, D.C. Public Service Commission by Mayor Marion Barry, Jr., in August 1980. On July 1 of 1984 she assumed the responsibilities of Chairman. She was also appointed Commissioner of the Washington Metropolitan Area Transit Commission (WMATC) in December 1980, and also serves as its Chairman. The WMATC was created by legislative agreement among the District of Columbia, Maryland and Virginia and is composed of one representative from each jurisdiction. The Transit Commission regulates all forms of for-hire interstate transportation, including taxicabs, sightseeing and charter operations.

Ms. Worthy presently serves as a member of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Communications and served as a member of the NARUC Subcommittee on the AT&T Divestiture.

Prior to these appointments, she served as Deputy Assistant Secretary for Regulatory Functions at the Department of Housing and Urban Development (HUD). She was appointed to this position in September 1977 and was responsible for those HUD regulatory programs that protected consumers. These included Interstate Land Sales Registration, the Federal Mobile Home Standards Program, the Real Estate Settlement Practices program, Lead-based Paint Poisoning Prevention and the Energy Conservation Standards enforcement.

She began her Federal career in 1969 with the National Labor Relations Board in the Appellate Division. In July 1971, she was appointed Deputy General Counsel for ACTION, the federal agency comprised of the Peace Corps, VISTA, and other volunteer programs. In January 1974, Ms. Worthy joined the Washington law firm of Dolphin, Branton, Stafford and Webber where she specialized in tax and fair employment cases.

Ms. Worthy grew up in the Bedford-Stuyvesant section of Brooklyn, New York. She graduated from Brooklyn College with a Bachelor's degree in Political Science. In 1966, she entered the Howard University School of Law in Washington, D.C. and by the end of her first year was invited to join the Howard Law Journal.

Today, she serves as a Trustee of the public broadcasting network (WETA Television 26, Radio FM 91) in Washington, D.C. In prior years, she served as Vice Chairman of the Anacostia Economic Development Corporation; Chairperson of the District of Columbia Occupational Safety and Health Board; Advisory Board Member of the Duke Ellington School of the Arts; and Board Member of the Black Child Development Institute; and Board Member of the Legal Services Advisory Board. Ms. Worthy is a member

of the National Bar Association, the American Bar Association, World Peace Through Law, the District of Columbia Bar, the Washington Bar, and on September 12, 1985, she became a member of the National Conference of Bar Examiners' Multistate Professional Responsibility Examination Committee. Ms. Worthy is also an adjunct professor at Howard University School of Law.

RUTH HANKINS-NESBITT
Commissioner

Ruth Hankins-Nesbitt, an attorney, was initially appointed to the Public Service Commission (Commission) in March 1975, becoming the first Commissioner appointed under the Home Rule Act. She also became the first woman to serve as Commissioner in over fifty years and the first woman to serve as Chairman since its inception. She served as Chairman of the Commission from March 1975 to September 1979 and from November 1980 to June 1984. Prior to coming to the Commission, she was engaged in the private practice of law in the firm of Hankins and Smith. She specialized in Wills and Administration, Domestic Relations and Personal Injury. As a member of the legal profession, she has been General Counsel to Stoddard Baptist Home, National Beauty Culturist's League, Inc., and counsel to the Steering Committee of the Health and Welfare Council in the National Capital Area. She served as Staff Attorney to the Legal Assistance Office of the District of Columbia Bar and the Hacker's License and Appeal Board of the District Government.

Upon receiving a teacher's certificate from Virginia Seminary College, Lynchburg, Virginia, Mrs. Hankins-Nesbitt came to Washington, D.C. for employment in the Federal Government. She worked as a clerk by day and attended the Robert H. Terrell Law School by night, graduating in the top tenth of her class with an L.L.B. She completed further studies at D.C. Teachers College and Catholic University. Having advanced to Supervisor in the Officers Branch, Promotion Section in the Adjutant General's Office, United States Department of Defense, she left government service for private practice in 1955.

Mrs. Hankins-Nesbitt is a member of the Administration Committee of the National Association of Regulatory Utility Commissioners (NARUC), and a member of the Executive Committee of the Great Lakes Conference of Regulatory Utility Commissioners. She is a past president of the Conference.

Since coming to Washington, D.C., Mrs. Hankins-Nesbitt has contributed generously her time and talent to numerous professional and community organizations. She presently serves on the boards of directors of the United Way of the National Capital Area, the Rosemont Day Care Center and the Washington Bar Association. She is the first and only woman to date, to ascend to the presidency of the Washington Bar Association. During prior years, she served on the boards of the National Democratic Club, the D.C. Home Rule Committee, Camp Fire Girls, Iona Whipper Home, Legal Aid Society and the Advisory Committee of Dolphin and Evans Settlement Company.

Mrs. Hankins-Nesbitt is admitted to the District of Columbia and Virginia bars. She is admitted to practice before the Supreme Court of the United States. She is a life member of the National Bar Association, the Washington Bar Association, the Women's Bar Association of the District of Columbia, the American Bar Association and the National Association of Black Women Attorneys.

Among the awards that have been bestowed upon her are: 1976, "Woman Lawyer of the Year" by the Women's Bar Association of the District of Columbia; 1979, "Distinguished Service Award," for Outstanding Services to Citizens of the District of Columbia, by the Howard University Alumni Association; 1981, Distinguished Service Award by the Greater Washington Chapter, Women's Division, National Bar Association for outstanding achievements in the legal profession; 1981, the coveted Ollie May Cooper Award for humanitarian services as a lawyer; and 1984, the Charles Hamilton Houston Medallion of Merit, the highest award given by the Washington Bar Association.

Mrs. Hankins-Nesbitt, a devout Christian, has taught Sunday School at Metropolitan Baptist Church for the past 33 years, she has been married to Vardell C. Nesbitt for 32 years and is the mother of one daughter. She has traveled extensively throughout the United States and abroad.

WESLEY H. LONG
Commissioner

An economist, Dr. Long has served on the District of Columbia Public Service Commission (Commission) since 1980. A native of Massachusetts, he received his Ph.D. in economics from the University of Michigan. Subsequently, he held combined teaching and research positions at Bowdoin College in Maine and at Pennsylvania State University. Dr. Long's position, just prior to his appointment to the Commission, was Deputy Director of the Office of Industrial Economics at the U.S. Department of Commerce. He was the first appointee of Washington, D.C.'s Mayor Marion Barry, Jr. to the Commission.

As an active member of the National Association of Regulatory Utility Commissioners, Dr. Long served from 1982-84 as Chairman of the Energy Conservation Committee and from 1982-87, as a member of the Electricity Committee and Chairman of its Subcommittee on Coal Freight Rates.

Dr. Long came to the Commission with a substantial background in District of Columbia community affairs. In 1976, he was among the first elected Advisory Neighborhood Commissioners and served as the first Chair of the Southwest/Southeast ANC. Subsequently, he chaired several city-wide neighborhood and ANC conferences. Also, he has served on several boards and commissions, among them: the Mayor's Overall Economic Development Advisory and the D.C. Citizens' Study Commission on Legalized Gambling. In 1981, he was elected as a Delegate of the D.C. Statehood Constitutional Convention and participated in drafting a proposed State Constitution for the District of Columbia.

Introduction to the Public Service Commission

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

The District of Columbia Public Service Commission (Commission) is an independent regulatory agency established by Congress in 1913. By law, the Commission has ratemaking and other regulatory authority over the electric, gas and telephone companies. It also regulates the taxicab industry[1], tourist vehicles for hire and all security transactions taking place in the District of Columbia.

The Commission is headed by three full-time Commissioners appointed to four-year terms by the Mayor, with the advice and consent of the Council of the District of Columbia. The Commissioners sit as a body in hearings upon applications for rate and service changes proposed by the utility companies or the taxicab industry. A support staff of over sixty technical, legal, professional, and clerical persons assists the Commissioners in conducting research and investigations and in analyzing financial and operating data.

The primary responsibility of the Commission is to ensure safe, reliable and quality utility service at the lowest possible cost. It conducts hearings and investigations into utility company charges and operations in order to determine just and reasonable rates in accordance with the needs and demands of District residents.

In order to fully carry out its responsibilities the Commission performs three types of functions — legislative, judicial and administrative. First, the Commission legislates or authorizes utility rates and sets rules and guidelines for the regulated companies. Second, the Commission acts in a quasi-judicial capacity when deciding whether existing rates are no longer adequate, by conducting formal rate and investigatory cases and by holding hearings on consumer complaints. Third, the Commission's administrative functions include analyzing regularly filed utility company reports and implementing Commission orders.

A variety of matters, both formal and informal, consume much of the Commission's attention. The bulk of the Commission's work relates to formal matters such as rate cases, bond and stock offerings, future construction plans of the utilities, civil proceedings on the licensing of District securities broker-dealers and agents, and investigatory cases such as management and conservation audits.

Informal consumer complaint cases also account for an important part of the Commission's dockets. These cases usually arise from consumer grievances regarding the quality of service or billing problems. In 1979, the Commission instituted a Consumer Bill of Rights. This Bill of Rights expanded consumers' rights and set up a model for the relationship between the utility company and the ratepayers. The Commission also promulgated uniform rules which govern the standards of conduct and billing practices of the gas, electric and telephone companies in the provision of residential and commercial utility service in the District of Columbia.

Consistent with the increasing activity and public concern demonstrated in the public utility sector of our economy, the Commission's docket continued to increase in quantity and complexity during 1987. While

there are only a few utility companies under the Commission's jurisdiction compared to other jurisdictions, the uniqueness of this area makes for pressing and challenging issues before the Commission.

---

[1] Pursuant to Section 13 of the District of Columbia Taxicab Commission Establishment Act of 1985, jurisdiction over matters pertaining to the Taxicab Industry were relinquished to the D.C. Department of Public Works effective March 25, 1987.

James E. Kerr

OFFICE OF THE EXECUTIVE DIRECTOR

The Office of the Executive Director was established in 1979. James E. Kerr has served as Executive Director since 1984.

The Executive Director plans, directs, coordinates and manages the internal affairs of the Commission on a day-to-day basis under the broad direction of the Chairman.

This Office coordinates and supervises staff activities in rate cases and generic proceedings; plans and implements policies and directives of the Commission; prepares budgets to the Mayor, Council of the District of Columbia and United States Congress; and is responsible for personnel and fiscal operations.

During Fiscal Year (FY) 1987, the Agency budget for FY 1988 was formally submitted to the Council of the District of Columbia and Congress, with appropriate justification, and was approved. Regular audits were scheduled on internal Commission accounts and trust funds. New personnel were recruited to facilitate the expanding needs in utility regulation, and the Office of Executive Director.

During FY 1987, the Commission relocated to accommodate the expanding staff.

Effective management systems were implemented during this period that reduced completion time on all administrative projects.

Howard C. Davenport

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel (OGC) was established by the Council of the District of Columbia in 1980. Howard C. Davenport has been General Counsel since March 1984. He is the second attorney to serve in this position.

The OGC consists of the General Counsel, the Assistant General Counsel, eight Staff Counsels and support staff. The OGC serves as legal advisor to the Commission. In this role, the OGC has many tasks. It represents the Commission Staff in Formal Cases (those proceedings involving major utility ratemaking, financial, and other investigatory issues), and tariff proceedings (e.g., filings made by C&P to amend certain aspects of telephone service); represents the Commission before federal agencies, including the Federal Energy Regulatory Commission and the Federal Communications Commission (FCC); advises and makes recommendations to the Commission with respect to proposed legislation in the U.S. Congress and the Council of the District of Columbia; interprets federal statutes and regulations affecting the Commission; prepares notices of proposed and final rulemaking for the Commission; performs all legal functions

with respect to leases, contracts, employment matters, and other internal legal matters that may arise; provides advisory opinions on various inquiries concerning the Commission and the public utilities under its jurisdiction; drafts opinions and orders of the Commission; handles appeals of Commission decisions; prepares memoranda of law on questions facing the Commission; and conducts legal research as directed by the Commission.

In addition, the OGC acts in an advisory capacity to various departments of the District Government on matters affecting public utilities in the District of Columbia.

OFFICE OF THE COMMISSION SECRETARY

The Office of the Commission Secretary has the responsibility of maintaining the formal case system for the Commission. This includes the receipt and distribution of Commission orders, notices and press releases; maintenance of an up-to-date information referral system and the administration of the taxicab snow emergency plan.

For the fiscal year 1987 the Office of the Commission Secretary received a total of 2,253 docketed filings in all active Formal Cases. In addition, the Office issued 299 Orders, 20 Public Notices, 28 Notices of Proposed Rulemaking, 27 Notices of Final Rulemaking, 15 Notices of Agency Fund Requirements and 19 Press Releases in all Formal Cases on behalf of the Commission.

As a result of several Commission actions in 1987, the Office of the Commission Secretary initiated a new records management program in several areas. To expand existing archival storage space, this office began a program of putting closed case and order files on microfiche with the acquisition of appropriate storage equipment. As of September 30, 1987, 19 closed Formal Cases, 482 Orders, 392 formal case logs and 303 changes to the Telephone Tariff had been microfiched.

On April 11, 1986, the Commission issued Order No. 8455 in Formal Case No. 829, deregulating Consumer-Owned Coin-Operated Telephone (COCOT) service in the District of Columbia. This Order required COCOT owners to file a Form A Registration for each telephone installed. Fifty nine Form A applications were received through September 30, 1987.

As a result of a decision by the Interstate Commerce Commission, the Secretary's Office was required to administer a program for retaining ICC Motor Carrier Agent Designation BOC-3 forms, and E, H and K Insurance Registration forms for Motor Carriers. This Office received approximately 3,000 ICC BOC-3 forms, and 700 E, H and K Insurance certificates, from the Commission's Engineering Department, where they had been maintained. The Office received eight hundred and two ICC BOC-3 forms, and 927 E, H and K Insurance registration forms by mail.

Fourteen formal cases were filed during FY 1987 with the Commission. These filings and ongoing previous cases resulted in the issuance of orders and opinions that were related to the regulation of the gas, electric, telephone, securities, and intra-district boat tour industries.

The fourteen formal cases filed during FY 1987 covered a variety of subject matters, as follows:

C&P-Chesapeake and Potomac Telephone Company

1. IN THE MATTER OF the Public Service Commission's Investigation of the Impact of the Tax Reform Act on the Earnings of THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY. (F.C. No. 854)
2. IN THE MATTER OF Customer Complaint of SAPPHIRE COMMUNICATIONS OF WASHINGTON, D.C., INC. Concerning Disconnection of Audiotex Service by The Chesapeake and Potomac Telephone Company. (F.C. No. 855)
3. IN THE MATTER OF the Customer Complaint of THE BRUCE CORPORATION Concerning Disconnection of Audiotex Service by The Chesapeake and Potomac Telephone Company. (F.C. No. 856)

Note - Formal Case No. 856 was consolidated into new Formal Case No. 855 on 2/12/87.

PEPCO-Potomac Electric Power Company

1. IN THE MATTER OF investigation of the Impact of the Tax Reform Act of 1986 on the Rates of POTOMAC ELECTRIC POWER COMPANY. (F.C. No. 852)
2. IN THE MATTER OF the Application of POTOMAC ELECTRIC POWER COMPANY for a Certificate of the Commission Showing Authority to Issue up to 47,282,656 Shares of Common Stock in Order to Effect a Two-For-One Stock Split. (F.C. No. 857)
3. IN THE MATTER OF the Application of POTOMAC ELECTRIC POWER COMPANY for a Certificate Authorizing it to Issue and Sell Through Public Sale or by Way of Private Placement One or More Series of First Mortgage Bonds And/Or One or More Series of Debentures (Including Debentures Convertible Into Common Stock In An Aggregate Amount Not To Exceed $150,000,000. (F.C. No. 858)
4. IN THE MATTER OF the Commission's Investigation Into the Reasonableness of the Authorized Return on Equity, Rate of Return, and Current Charges and Rates for Electric Service Provided by POTOMAC ELECTRIC POWER COMPANY in the District of Columbia. (F.C. No. 860)
5. IN THE MATTER OF POTOMAC ELECTRIC POWER COMPANY'S Fuel Adjustment Charge. (F.C. No. 862)
6. IN THE MATTER OF Application of POTOMAC ELECTRIC POWER COMPANY For Changes In Its Retail Regulation For The Sale Of Electric Energy. (F.C. No. 864)

DCNG-District of Columbia Natural Gas Company

1. IN THE MATTER OF the Impact of the Tax Reform Act of 1986, Pub. L. No. 99-514, 100 State, (1986), on the Revenue Requirements of DISTRICT OF COLUMBIA NATURAL GAS, A DIVISION OF WASHINGTON GAS LIGHT COMPANY. (F.C. No. 853)
2. IN THE MATTER OF the Application of WASHINGTON GAS LIGHT COMPANY for a Certificate of Authority Authorizing it to Issue Debt Securities. (F.C. No. 861)

MULTIPLE UTILITIES

1. IN THE MATTER OF submetering of utility services in the District of Columbia. (F.C. No. 859)
2. IN THE MATTER OF the Commission's Review of Utility Bill Inserts. (F.C. No. 863)

Telephone Tariffs

1. Toll denial for non-payment (DNP) of Local Service. (F.C. No. TT86-11)
2. Use of Customer-Provided Cable and Regulation Charge for Custom Calling Services. (F.C. No. TT87-3)
3. Centrex Customer Service Tariff (World Bank ICB). (F.C. No. TT87-4)
4. Deregulaton of Inside Wiring. (F.C. No. TT87-5)
5. Withdrawal and deletion of miscellaneous items, LIHEAP program update and the removal of Gross Receipts Tax surcharge reference. (F.C. No. TT87-6)
6. Reserved Telephone Number Service. (F.C. No. TT87-7)
7. Audiotex Restructure and Repricing. (F.C. No. TT87-8)
8. List Service (Order No. 8300 dated 6/18/87). (F.C. No. TT87-9)
9. Establishment of Service Connection Discount Program. (F.C.No. TT87-10)
10. PBX Trunks (DID) Touch-Tone Calling Service. Directory Listing Regulation pertaining to E911. (F.C.No. TT87-11)

OFFICE OF ACCOUNTING AND FINANCE

The Commission relies on the Office of Accounting and Finance to provide it with professional accounting and financial expertise. The responsibilities of this Office include the examination and audits of the books, records, financial statements, and other information filed by the following three jurisdictional utility companies: Chesapeake and Potomac Telephone Company (C&P); District of Columbia Natural Gas, a Division of Washington Gas Light Company (DCNG); and the Potomac Electric Power Company (PEPCO).

The Office of Accounting and Finance is required to verify and attest to the accuracy and the compliance of all accounting and financial filings with the respective Uniform System of Accounts, the generally accepted accounting principles (GAAP), the District of Columbia public utilities municipal regulations, and the directives of the Commission. The routine financial reports filed by the three jurisdictional utility companies include (1) monthly and annual financial statements, (2) depreciation studies, (3) cost allocation studies, and (4) special studies requested by the Commission.

One of the most time consuming tasks of this Office is the review and analysis of the financial data submitted by the utility companies when requesting changes in jurisdictional utility rates. Staff performs detailed reviews of all accounting and financial data in the Company's application

for rate changes. A report of Staff's findings, conclusions and recommendations is submitted to the Commission when Staff is an Advisor in the case, or incorporated in Staff's direct testimony and exhibits filed as a part of such rate case proceedings on those issues the Commission orders staff participation. As a case witness, Staff prepares data requests on the direct testimony and exhibits filed as a part of such rate case proceedings on those issues the Commission orders Staff participation. As a case witness, Staff prepares data requests on the direct testimony filed by the jurisdictional companies and other parties and submits data responses to the data requests on its direct testimony. Staff also assists legal counsel in the preparation of cross examination questions for the accounting and financial witnesses testifying on behalf of the other case parties. Rebuttal testimony is written and filed, when necessary. During the rate case hearings, Staff is cross examined on the direct and rebuttal testimony filed by all the accounting and financial witnesses. If the Commission requires the Staff to file a memorandum of law, the Staff assists the legal counsel in its preparation.

The auditing activities of this Office include a detailed audit of the monthly Fuel Cost Adjustment (FCA) filed by PEPCO and the monthly Purchased Gas Adjustment (PGA) filed by DCNG. These Commission authorized fuel clauses adjust the base charge for each unit of electric or gas service billed to D.C. customers to reflect the current, actual costs of the fuel purchased by the utility company. Upon recommendation of this office, the Commission approves each of the proposed fuel clause factors calculated by the Company.

Significant manhours are spent in activities related to the oversight and monitoring of the jurisdictional telephone company, C&P. Staff has analyzed and reviewed the quantification of the impact of GAAP required changes, separations changes which shifts additional cost to the intrastate jurisdiction and changes to the Federal Communications Commission (FCC) Uniform System of Accounts (Part 32). Numerous reports were written to the Commission presenting Staff's recommended opinion of the proposed and/or final FCC directives. Staff also provides the Commission's legal staff with the technical data used in the Commission's filings with the FCC.

In addition to the above telecommunications related responsibilities, Staff is required to analyze each Telephone Tariff, data conference, file data requests, review data responses and provide legal counsel with technical information which is used in Staff's comments filed on the record. Another area of responsibility is the jurisdictional monitoring of the Customer Owned Coin Operated Telephones (COCOT'S). Staff continuously reviews and submits comments to the Commission on the COCOT applications, the annual reports, and reports on the connections and disconnections of COCOTs.

In addition to the duties outlined above, the accounting and financial staff is involved in the on-going process of monitoring the jurisdictional utility companies' operations, construction programs, management efficiency programs, transactions with affiliated companies,

etc. Staff also provides the public with information requested via telephone and/or written inquiries on all aspects pertaining to the utility companies such as effective tariffs, status of formal proceeding before the Commission, Commission Orders, and rate base and revenue requirement information.

UNIFORM SYSTEM OF ACCOUNTS

The following classifications of accounts have been prescribed for the use of utilities subject to the jurisdiction of the Commission:

Electric Companies:

Title: Federal Energy Regulatory Commission "Uniform System of Accounts, Prescribed for the Public Utilities and Licenses (Class A and B, C, and D)". Subject to the Provisions of the Federal Power Act in effect on April 1, 1973" as amended.
Publisher: United States Government Printing Office, Washington, D.C.

Gas Companies:

Title: Federal Energy Regulatory Commission "Uniform System of Accounts, Prescribed for Natural Gas Companies (Class A and B, C and D)". Subject to the Provisions of the Natural Gas Act, in effect on May 29, 1974, as amended.
Publisher: United States Government Printing Office, Washington, D.C.

Telephone Companies:

Title: Federal Communications Commission "Part 31; Uniform System of Accounts for Class A and Class B Telephone Companies".
Publisher: United States Government Printing Office, Washington, D.C.

OFFICE OF CONSUMER SERVICES

The Office of Consumer Services (OCS), serving as the public relations arm to the Public Service Commission, provides complaint handling and informational services to utility consumers. It investigates, adjudicates and negotiates customer complaints and disputes that cannot be resolved informally between the customer and the utility company. This Office is responsible for: providing public information and education on utility consumer rights and responsibilities and other Commission matters; providing the Commission with information on how well the utility companies are serving the customers; keeping the Commission informed of local and national trends; participating in the consumer hearing process by gathering information on the record, notifying consumers of their rights and hearing procedures and coordinating the schedules of hearings; publication of a quarterly newsletter on utility related matters and activities such as the Speaker's Bureau and the development and distribution of informative literature which includes

the Consumer Bill of Rights and an energy conservation booklet; monitoring Audiotex and customer owned coin-operated telephone complaints; providing expert testimony in rate proceedings on relevant issues; ensuring public notice of rate hearings; interaction with the utility companies and the community; and receiving and referring taxicab complaints which are currently being handled by the newly established Taxicab Commission.

The Office staff consists of five persons who have been very effective in resolving complaints and in providing utility-related services to citizens of the District of Columbia. For example, during 1987 the Office received approximately 13,246 complaints/calls, of which 90% of the complaints received were resolved to the mutual satisfaction of all parties involved. Typical complaints concern billing and termination of service.

In addition to the above primary responsibilities and duties, the Office was involved in other activities during 1987. Specifically, in an effort to broaden the scope of understanding within the community, OCS Staff recently adopted a plan for community outreach. This plan focuses on a public awareness campaign designed to educate the community about energy consumption and initiatives pertaining to utilities. Some components of the community outreach plan include the further development and implementation of:

- Cable Television programming
- Speaker's Bureau
- Mobile Unit/Display
- Literature and publications on such topics as utility consumer rights, energy conservation, etc.
- Utility Bulletin newsletter
- ANC liaison activities

OCS was given the responsibility of monitoring Audiotex Service which entails providing the Commission with monthly reports detailing the type of complaints received and the resolution thereof. OCS was also responsible for monitoring the overall operation of Customer Owned Coin and Credit Operated Telephones (COCOTs) to assure compliance with District of Columbia Municipal Regulations; and the monitoring of complaints regarding access to telephone equipment for the handicapped with regard to Formal Case 822. Also, the Office developed and distributed a booklet on energy conservation entitled, "$aving Energy $aves Dollars," and was appointed as Commission Liaison to the Advisory Neighborhood Commissions.

Further, staff prepared and presented testimony in F.C. 834 regarding the implementation of a comprehensive energy conservation and load management program for the District of Columbia. The issues explored by staff included:

1. Would a rebate program, which would encourage the purchase of energy efficient appliances and energy-saving devices, be appropriate for implementation in the District of Columbia?

   (a) What type of program should be adopted?

   (b) How should such a program be administered?

2. Has the Residential Conservation Service Program satisfied the criteria set forth in Order No. 7616 of Formal Case No. 743 for meeting the Commission's objectives for this program?

   (a) Should a mandatory utility loan program be implemented for this program?

   (b) Should a voluntary utility loan program be implemented for this program?

3. How should an energy audit program be implemented for commercial customers?

   (a) How should such a program be administered?

   (b) Would an effective commercial energy audit program require financial incentives for investments in efficiency measures, e.g., low-interest loans, rebates, and third-party financing?

OFFICE OF ECONOMICS

The general duties and responsibilities of the Office of Economics are to represent Commission Staff (including the preparation of testimony) on economic issues in formal cases that are being litigated actively; and to represent Commission Staff on economics issues in formal cases in the post litigation stage. This involves critiquing studies and reports filed by the utility companies and conducting our own studies. This office advises the Commission on economics issues and supervises Commission-sponsored studies, and prepares papers and articles for presentation at professional and industry conferences and for publication in professional and industry journals and periodicals.

Activities in 1987 (A * indicates an office staff person is case manager.)

1. In Active Litigation Stage

   a. *F.C. No. 849 (Testified on behalf of Staff on all of the issues concerning the impact of a transportation tariff by DCNG.)

   b. *F.C. No. 845 (Testified on behalf of Staff on all issues in the case regarding the appropriate method for calculating marginal costs for DCNG and the associated rate design. Staff was the only party to develop a marginal cost model.)

   c. *F.C. No. 834, Phase II (Testified on behalf of staff on the effectiveness of the PEPCO and DCNG Residential Conservation Service programs, least cost planning, marginal cost estimation, cost-benefit methodology for evaluating conservation programs, econometric analysis of the residential load control experiment, and a proposed real-time pricing experiment.)

2. In Post-Litigated Stage

   a. F.C. No. 840 (Participated in the Load Research Advisory Group meetings in which several residential and commercial surveys are being designed and in which the results of the reports will be reviewed. Current residential customer projects include a study of the impact of the low income tariff, a short run price elasticity of demand study, a long run price elasticity of demand study, a

load forecasting and profiles of residential customers by income class, building type, and owners versus renters. Staff also critiqued the 1987 Gas Procurement Report.)

b. *F.C. No. 828 (Participated in the Digital Deployment Reporting System and the Embedded Cost Manual methodology working groups for Centrex. C&P and OPC are also members of the working group.)

c. *F.C. No. 814 (Directing a study to examine the competitive environment facing C&P in the District of Columbia and to recommend regulatory approaches to address current and future market conditions.)

d. *F.C. No. 813 (Assisted the Office of Consumer Services in the preparation of a report on the households on the residential aid rider.)

e. *F.C. No. 785 (Supervised a study conducted by consultants on the distribution of benefits to tenants arising from the reclassification of master metered apartments from the commercial to the residential tariff.)

f. F.C. No. 766 (Supervised fuels procurement and fuel related management audit of PEPCO.) Also participated in the monthly Productivity Improvement Working Group meetings at PEPCO.)

g. F.C. No. 759, Phase III (Examined PEPCO's econometric analysis of whether there should be a separate demand charge for residential customers on time of use rates.)

h. *F.C. No. 743 (Provided input into PEPCO's and DCNG's annual reports on the RCS programs and on their energy avoidance studies.)

i. F.C. No. 737 (Critiqued PEPCO's 1985 Energy Plan and presented testimony in F.C. No. 834.)

3. Other

a. The Director served on the NARUC Subcommittee on Economics and Finance. She is currently responsible for organizing a seminar on methodological issues in least cost planning and evaluating conservation programs.

b. The Director has just been elected to serve on the Research Advisory Committee (RAC) of the National Regulatory Research Institute (NRRI). The RAC advises the NRRI on its research projects.

c. Dr. Jeffrey Colvin, Staff Economist, chairs the Commission's Computer Committee. The Committee is studying the options available to the Commission to integrate its current stock of computers into a single, more efficient system.

d. Staff conducted a survey of methods for calculating marginal costs for electric, telephone and gas companies in other jurisdictions.

e. Staff prepared several articles for presentation at conferences and for publication.

OFFICE OF ENGINEERING

The Office of Engineering is responsible for providing engineering review and analysis in five principal areas: formal rate cases, investigations and rulemaking proceedings; informal studies and investigations; pipeline safety; common carriers and buslines; and engineering issues related to customer service.

During 1987, pipeline safety and energy matters were the major focus of office activity. Testimony was submitted in F.C. No. 834 Phase II and the 1987 PEPCO management audit was critiqued. The Director also examined procedures for electric load forecasting and participated in the Productivity Improvement Working Group at PEPCO.

OFFICE OF SECURITIES

The District of Columbia Securities Act (the Statute) was promulgated by Congress in August, 1964, in recognition of the fact that there were regulatory gaps in the jurisdiction of the Securities and Exchange Commission, the National Association of Securities Dealers and other self-regulatory organizations. Two of the major problems at the time related to the financial condition of some broker-dealers (mainly over-the-counter broker-dealers) and sales practices of individual agents. The principal thrust of the Statute, therefore, was the licensing of broker-dealers and their agents and an anti-fraud section very similar to that contained in Federal Securities Statutes. Since transactions in the District of Columbia are "interstate", the Statute did not provide for registration of securities issues as is the case in almost every other state. Enforcement of the Act was assigned to the Commission through the Office of Securities which became operational in February, 1965.

The Commission's Securities Office has an authorized staff of seven (7) persons: Director, Deputy Director, Investigator, Secretary, Licensing Examiner, Assistant Licensing Examiner and Clerk. In many respects, it functions in a very similar fashion to the Securities and Exchange Commission, except that jurisdiction is limited to those activities taking place or directed into the District of Columbia, (and as indicated, the absence of a requirement of registration of securities issues). The Office has three principal functions: 1) Licensing of agents and broker-dealers; 2) Regulatory-rulemaking, inspections, etc. and; 3) Enforcement.

The Commission's enforcement capabilities include: 1) Administrative action against licensees, or applicants in which it can deny, suspend, or revoke licenses or applications of agents and/or broker-dealers; 2) Injunctive action, brought in the Superior Court of the District of Columbia to enjoin acts prohibited under the Statute and; 3) Criminal prosecution of those deemed to have willfully violated provisions of the Statute by reference of the matter to the appropriate authority.

In addition to the investigative and trial functions, the Office conducts inspections of broker-dealers, often in cooperation with other regulatory bodies. These inspections normally entail, among other things, an examination of the financial condition of the broker-dealers, pricing, and other requirements. In addition, an examination is made of the adequacy of the firm's supervisory procedures and internal controls over sales representatives. Where appropriate, an examination is also made of the

sales practices of the firm's sales representatives.

Another major function of the Securities Office is the screening of all applications for licenses filed by agents and broker-dealers. During FY 1987, the Commission issued 8,179 initial agent licenses. In some instances, personal interviews were conducted with initial agent applicants and with principals in broker-dealer firms initially applying for licensing under the Act. In this manner the Staff is able to obtain further information concerning an applicant's qualifications and the manner in which he/she intends to conduct business in the District of Columbia.

The Statute creates a Securities Advisory Committee which is composed of six persons, at least two of whom must be engaged in the securities business. The Committee advises the Commission as to any and all matters pertaining to administration of the Securities Act. Of particular importance is the advice of the Committee with respect to the adoption of proposed rules, regulations and forms used in the licensing process.

STATISTICAL DATA WITH RESPECT TO AGENT AND BROKER-DEALER LICENSES

The following tables provide information concerning initial and renewal licenses of broker-dealers, including a breakdown of broker-dealer membership in regulatory organizations. During FY 1987, 744 brokers obtained renewal licenses and 178 obtained initial licenses. A total of 139 broker-dealers withdrew their licenses or allowed their licenses to expire.

BROKER-DEALER INITIAL AND RENEWAL LICENSES ISSUED IN 1987

Licenses Issued:

To members of the combined National Association of Securities Dealers (NASD), Securities Exchange Commission (SEC), and National Stock Exchange (NSE)	226
To members of the NASD and SEC	630
To members of the NASD and NSE	12
To members of the NASD only	52
To non-affiliates	2
Total licenses in effect September 30, 1987	922

Initial Agent Applicants

Total initial applications received	8,404
Total applications carried forward from 1986	608
Total applicants subject to licensing	9,012
Applicants denied licensing	4
Applicants pending on September 30, 1987	325
Applicants allowed to withdraw	504
Total applicants who became licensed	8,179

Filing Fees

During Fiscal Year 1987, the Commission deposited with the District of Columbia Treasury, a total of $990,430.00 received in connection with filing fees.

POTOMAC ELECTRIC POWER COMPANY

Balance Sheet
Fiscal Year Ended September 30, 1987
Assets and Other Debits

Property And Plant	
Electric plant in service	$3,551,208,799
Construction work in progress	77,953,434
Electric plant held for future use	4,220,893
Nonutility property	7,390,648
Accumulated depreciation	(1,005,219,300)
Net property and plant	2,635,554,474
Current Assets	
Cash and other deposits	18,515,810
Customer accounts receivable	115,861,710
Other accounts receivable	126,905,014
Allowance for uncollectible accounts	(6,064,356)
Prepaid taxes and other expenses	34,091,497
Materials and supplies	144,767,368
Total current assets	434,077,042
Other Assets And Deferred Charges	
Investment in subsidiaries	210,926,666
Project cancellation costs, net	50,914,682
Deferred charges	74,723,907
Total other assets and deferred charges	336,565,256
Total assets	$3,406,196,772

POTOMAC ELECTRIC POWER COMPANY

Balance Sheet

Fiscal Year Ended September 30, 1987

Capitalization And Liabilities

Capitalization	
Common equity	
Common stock — Par value $10	94,444,868
Premium on stock and other capital contributions	503,761,036
Capital stock expense	(9,821,534)
Retained income	603,821,789
Total Common Equity	1,192,206,159
Serial preferred stock	143,520,950
Long-term debt — bonds	1,104,757,329
Total Capitalization	2,440,484,439
Current Liabilities	
Long-term debt and preference stock	162,442,000
Accounts payable and accrued payroll	137,400,149
Taxes accrued	57,773,532
Interest accrued	21,083,117
Customer deposits	17,752,621
Other	22,833,712
Total Current Liabilities	419,285,130
Deferred Credits	
Nuclear fuel supply credits, net	10,333,014
Income taxes	399,117,251
Investment tax credits	90,821,615
Other	46,155,323
Total deferred credits	546,427,203
Total Capitalization and Liabilities	$3,406,196,772

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY

Balance Sheet

Fiscal Year Ended September 30, 1987

Assets and Other Debits

Utility plant	
Telephone plant in service	$1,123,377,524
Telephone plant under construction	14,508,230
Less: Depreciation and amortization reserves	(403,973,333)
Telephone plant less reserves	706,912,421
Investments	
Investments in and advances to affiliated company	—
Other investments and funds	2,805,904
Miscellaneous physical property	2,957,082
Non-regulated investments	157,138
Total investments	5,920,124
Current assets	
Cash	(1,473,336)
Special cash deposits	—
Temporary cash investments	12,022,003
Materials and supplies	4,887,332
Total other current assets	133,460,618
Total current assets	148,896,617
Subscriptions to funded debt	—
Prepaid accounts and deferred charges	37,400,988
Total assets and other debits	$899,130,150

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY

Balance Sheet
Fiscal Year Ended September 30, 1987
Liabilities and Other Credits

Capital stock and retained earnings	
Capital stock common	$249,967,982
Capital stock preferred	—
Premium on capital stock	—
Capital stock subscribed and stock installments	—
Other capital	—
Retained earnings reserved	—
Unappropriated retained earnings	103,405,934
Less-Capital stock expenses	—
Total capital stock and retained earnings	353,373,916
Long term debt	
Funded debt	255,000,000
Funded debt subscribed	—
Advances from affiliated companies	—
Other long-term debt	—
Total long-term debt	255,000,000
Current and Accrued Liabilities	
Funded debt subscribed	—
Advances from affiliated companies	—
Other long-term debt	—
Notes payable, interest, banks and non-affiliated companies	—
Current liabilities	68,357,837
Accrued liabilities	15,795,169
Total current and accrued liabilities	84,153,006
Deferred Credits And Operating Reserves	
Deferred credits	205,229,264
Miscellaneous reserves	1,373,964
Total deferred credits and operating reserves	206,603,228
Total liabilities and other credits	$899,130,150

WASHINGTON GAS LIGHT COMPANY

Balance Sheet

Fiscal Year Ended September 30, 1987

Assets and Other Debits

Property plant and equipment	
Plant	$834,637,981
Accumulated provision for depreciation	(290,678,074)
Accumulated provision for amortization and depletion	(3,828,641)
Net investment in utility plant	540,131,267
Investment and fund accounts	
Investments in subsidiary companies	48,433,328
Other investments	2,271,086
Total investments and fund accounts	50,704,414
Current and accrued assets	
General cash and special deposits	1,130,370
Notes receivable	50,000
Customer accounts receivable	55,187,350
Other accounts receivable	3,493,630
Accumulated provision for uncollectibles	(4,502,821)
Receivables from associated companies	2,483,160
Materials and supplies	50,905,775
Other current and accrued assets	36,770,481
Total current assets	145,517,945
Deferred debts	
Unamortized debt expense	795,197
Purchased gas cost	—
Miscellaneous deferred debits	4,703,605
Unamortized loss on reacquired debt	4,203,903
Accumulated deferred income taxes	8,387,152
Total deferred debts	18,089,857
Total assets and other debts	$754,443,483

WASHINGTON GAS LIGHT COMPANY

Balance Sheet

Fiscal Year Ended September 30, 1987

Liabilities and Other Credits

Capitalization	
Common stock issued	$16,888,856
Preferred stock issued	28,742,294
Other paid-in capital	181,449,923
Capital stock expense	(237,208)
Retained earnings	106,389,400
Long term debt	259,608,876
Total capitalization	592,842,141
Other noncurrent liabilities	5,323,310
Current and Accrued Liabilities	
Notes payable	—
Accounts payable	38,701,665
Payable to associated companies	5,699,044
Customer deposits	4,577,143
Taxes accrued	2,640,125
Interest accrued	3,716,930
Dividends declared	7,936,257
Miscellaneous current and accrued liabilities	3,630,108
Total current and accrued liabilities	66,901,272
Deferred credits	
Customer advances for construction	1,758,234
Purchased gas cost	759,511
Other deferred credits	12,445,631
Accumulated deferred investment tax credits	30,229,149
Unamortized gain on reacquired debt	1,238,444
Accumulated deferred income taxes	42,945,791
Total deferred credits	89,376,760
Total liabilities and other credits	$754,443,483

POTOMAC ELECTRIC POWER COMPANY

Income Statement
Fiscal Year Ended September 30, 1987

Utility Operating Income	
Operating revenues	$1,353,745,482
Operating expenses	
Operation	605,262,523
Maintenance	98,328,855
Depreciation	102,023,742
Amortization/limit-term electric plant	335,467
Amortization of property losses	11,603,030
Taxes other than income taxes	117,970,679
Income taxes — Federal	116,703,403
Income taxes — D.C.	11,846,964
Income taxes — Maryland	127,286
Provision for deferred incor e taxes	75,269,111
Provision for deferred income taxes-credit	(46,866,793)
Investment tax credit adjustments	(11,193,727)
Gain - disp. of utility plant	-
Total operating expenses	1,081,410,542
Net utility operating income	272,334,940
Other Income and Deduction	
Revenues from non-utility operations	4,754,947
Interest and dividend income	2,650,927
Other non-operating income-net	23,362,695
Total other income and deductions	30,768,570
Income before interest charges	303,103,510
Interest charges	
Interest on long term debt	84,792,280
Amortization of debt discount and expenses	1,327,421
Amortization of premium on debt (credit)	(66,557)
Other interest expenses	5,796,319
AFUDC-/Borrowed funds	(3,525,141)
Total interest charges	88,324,322
Income before extraordinary items	214,779,187
Extraordinary items net of taxes	-
Net Income	$214,779,187

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY

Income Statement
Fiscal Year Ended September 30, 1987

Operating revenues	$489,842,060
Operating expenses	342,241,091
Net operating revenues	147,600,969
Investment credits-net	(10,426,281)
Federal income taxes	58,993,803
Other operating taxes	46,968,555
Operating federal income taxes deferred	12,786,263
Income credits and charges resulting from prior deferrals of F.I.T.	(17,661,065)
Operating income	56,939,694
Other Income	
Dividend income	-
Interest income	2,122,081
Income from sinking and other funds	29,937
Miscellaneous income	2,884
Income from non-regulated activities	3,110,739
Total other income	5,265,641
Miscellaneous deduction from income	
Miscellaneous income charges	963,911
Federal income taxes-non-operating	(452,004)
Other non-operating taxes	316,799
Total miscellaneous deductions	828,706
Income before interest deductions	61,376,629
Interest deductions	
Interest on funded debt	19,823,503
Other interest deductions	2,150,582
Amortization of discount on long-term debt	347,432
Release of premium on long-term debt (credit)	(2,482)
Total interest deductions	22,319,035
Income after interest deductions	39,057,594
Delayed income credits	20,125,981
Extraordinary and delayed items net after taxes Inc. tax eff. of ext. & dlyd. items-net	(1,865,214)
Net income	$ 57,318,361

WASHINGTON GAS LIGHT COMPANY

Income Statement
Fiscal Year Ended September 30, 1987

Utility operating income	$662,161,212
Operating revenues	
Operating expenses:	
Operation	480,637,723
Maintenance	29,442,634
Depreciation	23,781,072
Amortization	4,359,991
Taxes other than income taxes	41,461,393
Income taxes — Federal	16,383,171
Income taxes — Other	1,491,287
Deferred income taxes — net	11,186,867
Investment tax credit adjustments	(1,094,831)
Gain on disposition of plant	-
Total operating expenses	607,649,307
Net utility operating income	54,511,904
Other income and deductions:	
Non-utility operating income	2,358,881
Interest and dividend income	3,179,993
Other non-operating income-net	(3,013,956)
Total other income and deductions	2,524,918
Income before interest charges	57,036,822
Interest charges:	
Interest on long term debt	17,121,723
Amortization of debt discount and expenses	178,583
Amortization of loss on reacquired debt	471,106
Amortization of premium on debt (credit)	-
Amortization of gain on required debt (credit)	(332,787)
Interest on debt to associated companies	303,382
Other interest expenses	2,257,396
AFUDC-/Borrowed funds	(147,841)
Total interest charges	19,851,561
Income before extraordinary items and equity in subsidiaries	37,185,262
Extraordinary items net after taxes	-
Equity in earnings of subsidiary companies	210,678
Net Income	$ 37,395,939

POTOMAC ELECTRIC POWER COMPANY
Fiscal Year Ended September 30, 1987

Class of Service	Revenues	Energy Sales RWH	Customers
Residential	$ 92,392,604	1,402,695,646	184,654
Commercial	470,663,985	7,232,107,045	25,649
Street Lighting	4,101,517	94,105,689	36
Outdoor Lighting	29,992	226,164	68
Metro-Rapid Transit	13,079,172	213,205,760	1
Total	$581,267,270	8,942,340,304	210,408

DISTRICT OF COLUMBIA NATURAL GAS
Fiscal Year Ended September 30, 1987

Class of Service	Revenues	Therm Sales	Customers
Residental	$ 91,534,930	125,791,283	130,608
Commercial and Industrial			
Commercial—Firm			
Other than Group Metered Apartments	44,145,328	64,303,997	10,918
Group Metered Apartments	29,914,763	44,522,333	3,421
Commercial and Industrial—Interruptible	26,001,483	73,688,039	316
Total	$191,596,504	308,305,652	145,263

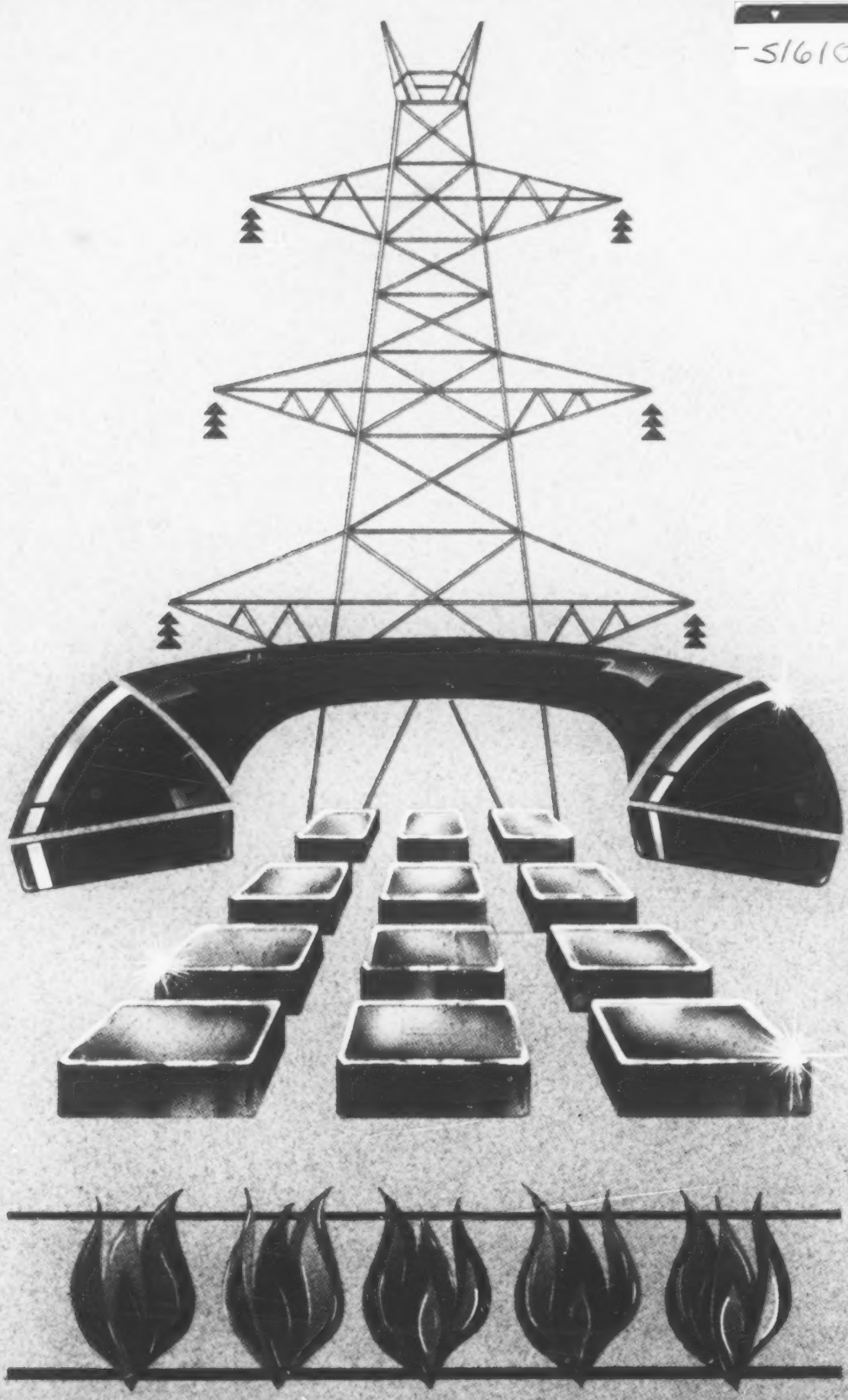
CHESAPEAKE AND POTOMAC TELEPHONE COMPANY
Fiscal Year Ended September 30, 1987

Class of Service	Access Lines	Revenues
Residential		
Metropolitan Area Wide Service (Flat)	121,422	$30,541,000
Measured Area Wide Service (60 call allowance)	42,965	9,959,000
District of Columbia (Unlimited calls in D.C.)	102,882	23,901,000
Economy I (No call allowance)	5,053	1,328,000
Economy II (60 call allowance)	305,671	47,998,000
Centrex	157,501	146,420,000
Other Business	157,501	146,420,000
Total	748,224	$260,811,000

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

1988 ANNUAL REPORT

-51610-1-W



Public Service Commission of the District of Columbia

450 5TH STREET, N.W.
WASHINGTON, D.C. 20001
(202) 626-5100

IN REPLY REFER TO:

May 1989

The Honorable Marion Barry, Jr.
Mayor, District of Columbia
Room 520, District Building
Washington, D.C. 20004

Dear Mayor Barry:

In accordance with D.C. Code Section 43-519 (1986), we have the honor to submit to you the 1988 Annual Report of the Public Service Commission of the District of Columbia.

Respectfully submitted,

Patricia M. Worthy, Chairman

Ruth Hankins-Nesbitt, Commissioner

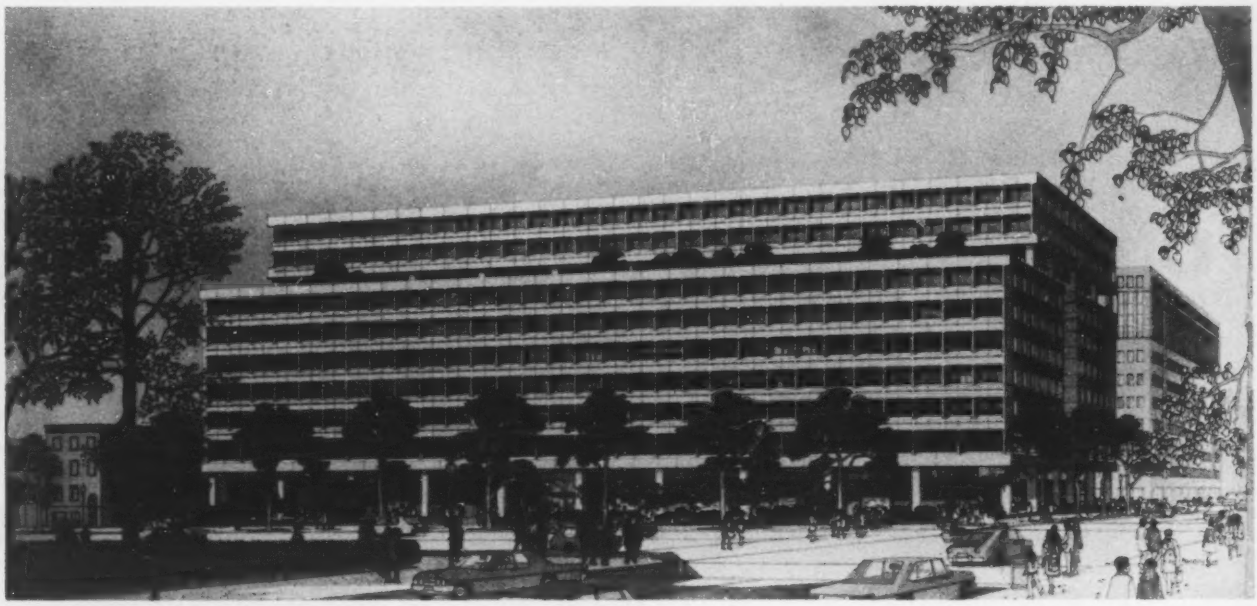
Wesley H. Long, Commissioner

cc: Members of the Council
of the District of Columbia

From left to right: Commissioner Ruth Hankins-Nesbitt, Chairman Patricia M. Worthy, and Commissioner Wesley H. Long.

TABLE OF CONTENTS

	Page
LETTER OF TRANSMITTAL	i
INTRODUCTION TO THE PUBLIC SERVICE COMMISSION	1
BIOGRAPHIES	3-5
CHAIRMAN PATRICIA M. WORTHY	3
COMMISSIONER RUTH HANKINS-NESBITT	4
COMMISSIONER WESLEY H. LONG	5
DEPARTMENTAL OVERVIEW	6-14
OFFICE OF THE EXECUTIVE DIRECTOR	6
OFFICE OF THE GENERAL COUNSEL	7
OFFICE OF THE COMMISSION SECRETARY	8
OFFICE OF ACCOUNTING AND FINANCE	8
• Uniform System of Accounts	9
OFFICE OF CONSUMER SERVICES	10
OFFICE OF ECONOMICS	11
OFFICE OF ENGINEERING	12
• Gas Pipeline Safety Program	13
OFFICE OF SECURITIES	14
• Statistical Data with Respect to Agent-Broker-Dealer Licenses	15
• Broker-Dealer Initial and Renewal Licenses Issued in 1988	15
• Initial Agent Applicants	15
• Filing Fees	15
FINANCIAL STATEMENTS OF THE MAJOR UTILITIES	16-25
POTOMAC ELECTRIC POWER COMPANY	16,17 22,25
THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY	18,19 23,25
WASHINGTON GAS LIGHT COMPANY	20,21 24,25
SPECIAL PROGRAMS AUTHORIZED BY THE PUBLIC SERVICE COMMISSION	26,27
COMMISSION ACTIVITIES DURING CALENDAR YEAR 1988	28,29
PUBLIC SERVICE COMMISSION PARTICIPATION IN FEDERAL PROCEEDINGS	30
PUBLIC SERVICE COMMISSION MEMBERS AND EMPLOYEES	31,32
ORGANIZATIONAL CHART	Inside Back Cover



District of Columbia Public Service Commission, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

The District of Columbia Public Service Commission (Commission) is an independent regulatory agency established by Congress in 1913. By law, the Commission has ratemaking and other regulatory authority over the electric, natural gas and telephone companies. It also regulates tourist vehicles for hire, all securities transactions taking place in the District of Columbia, and Customer-owned Coin Operated Telephones (COCOTs).

The Commission is headed by three full-time Commissioners appointed to four-year terms by the Mayor, with the advice and consent of the Council of the District of Columbia. The Commissioners sit as a body in hearings upon applications for rate and service changes proposed by the utility companies. A support staff of over seventy technical, legal, professional, and clerical persons assists the Commissioners in conducting research and investigations and in analyzing financial and operating data.

The primary responsibility of the Commission is to ensure safe, reliable and quality utility service at the lowest possible cost. It conducts hearings and investigations into utility company charges and operations in order to determine just and reasonable rates in accordance with the needs of District utility consumers.

In order to carry out its responsibilities the Commission performs three types of functions — legislative, judicial and administrative. First, the Commission legislates or authorizes utility rates and sets rules and guidelines for the regulated companies. Second, the Commission acts in a quasi-judicial capacity when deciding whether existing rates are no longer adequate, by conducting formal rate and investigatory cases and by holding hearings on consumer complaints. Third, the Commission's administrative functions include analyzing regularly filed utility company reports and implementing Commission orders.

The bulk of the Commission's work relates to formal matters such as rate cases, utility bond and stock offerings, construction plans of the utilities, civil proceedings on the licensing of securities broker-dealers and agents in the District, and investigatory cases such as management and conservation audits.

Informal consumer complaint cases also account for an important part of the Commission's dockets. These cases usually arise from consumer grievances regarding the quality of service or billing problems. In 1979, the Commission instituted a Consumer Bill of Rights. This Bill of Rights expanded consumers' rights and set up a model for the relationship between the utility company and the ratepayers. The Commission also promulgated uniform rules which govern the standards of conduct and billing practices of the gas, electric and telephone companies in the provision of residential and commercial utility service in the District of Columbia.

Consistent with the increasing activity and public concern demonstrated in the public utility sector of our economy, the Commission's docket continued to increase in quantity and complexity during 1988. While there are only a few utility companies under the Commission's jurisdiction compared to other jurisdictions, the uniqueness of this area makes for pressing and challenging issues before the Commission.

Patricia M. Worthy
Chairman

PATRICIA M. WORTHY
Chairman

An attorney, Ms. Worthy was appointed Commissioner, D.C. Public Service Commission by Mayor Marion Barry, Jr., in August 1980. On July 1 of 1984 she assumed the responsibilities of Chairman. She was also appointed Commissioner of the Washington Metropolitan Area Transit Commission (WMATC) in December 1980, and serves as its Chairman. The WMATC was created by legislative agreement between the District of Columbia, Maryland and Virginia and is composed of one representative from each jurisdiction. The Transit Commission regulates all forms of for-hire interstate transportation, including taxicabs, sightseeing and charter operations.

Ms. Worthy presently serves as Vice-Chairman of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Communications, Co-Chairman of the State-Federal Conference on Open Network Architecture and served as a member of the NARUC Subcommittee on the AT&T Divestiture. She is also Chairman of NARUC's Utility Oversight Committee and a member of the Ad Hoc Committee on the Financial Future of NARUC.

Prior to these appointments, she served as Deputy Assistant Secretary for Regulatory Functions at the Department of Housing and Urban Development (HUD). She was appointed to this position in September 1977 and was responsible for those HUD regulatory programs that protected consumers. These included Interstate Land Sales Registration, the Federal Mobile Home Standards Program, the Real Estate Settlement Practices Program, Lead-based Paint Poisoning Prevention and the Energy Conservation Standards enforcement.

She began her Federal career in 1969 with the National Labor Relations Board in the Appellate Division. In July 1971, she was appointed Deputy General Counsel for ACTION, the federal agency comprised of the Peace Corps, VISTA, and other volunteer programs. In January 1974, Ms. Worthy joined the Washington law firm of Dolphin, Branton, Stafford and Webber where she specialized in tax and fair employment cases.

Ms. Worthy grew up in the Bedford-Stuyvesant section of Brooklyn, New York. She graduated from Brooklyn College with a Bachelor's degree in Political Science. In 1966, she entered the Howard University School of Law in Washington, D.C., and by the end of her first year was invited to join the Howard Law Journal.

In prior years, she served as a Trustee of the public broadcasting network (WETA Television 26, Radio FM 91) in Washington, D.C.; as Vice Chairman of the Anacostia Economic Development Corporation; Chairperson of the District of Columbia Occupational Safety and Health Board; Advisory Board Member of the Duke Ellington School of the Arts; and Board Member of the Black Child Development Institute; and Board Member of the Legal Services Advisory Board. Ms. Worthy is a member of the National Bar Association, the American Bar Association, World Peace Through Law, the District of Columbia Bar, the Washington Bar, and on September 12, 1985, she became a member of the National Conference of Bar Examiners' Multistate Professional Responsibility Examination Committee. Ms. Worthy is also an adjunct professor at Howard University School of Law.

RUTH HANKINS-NESBITT
Commissioner

Ruth Hankins-Nesbitt, an attorney, was initially appointed to the Public Service Commission (Commission) in March 1975, becoming the first Commissioner appointed under the Home Rule Act. She also became the first woman to serve as Commissioner in over fifty years and the first woman to serve as Chairman since its inception. She served as Chairman of the Commission from March 1975 to September 1979 and from November 1980 to June 1984. Prior to coming to the Commission, she was engaged in the private practice of law in the firm of Hankins and Smith. She specialized in Wills and Administration, Domestic Relations and Personal Injury. As a member of the legal profession, she has been General Counsel to Stoddard Baptist Home, National Beauty Culturist's League, Inc., and counsel to the Steering Committee of the Health and Welfare Council in the National Capital Area. She served as Staff Attorney to the Legal Assistance Office of the District of Columbia Bar and the Hacker's License and Appeal Board of the District Government.

Upon receiving a teacher's certificate from Virginia Seminary College, Lynchburg, Virginia, Mrs. Hankins-Nesbitt came to Washington, D.C. for employment in the Federal Government. She worked as a clerk by day and attended the Robert H. Terrell Law School by night, graduating in the top tenth of her class with an L.L.B. She completed further studies at D.C. Teachers College and Catholic University. Having advanced to Supervisor in the Officers Branch, Promotion Section in the Adjutant General's Office, United States Department of Defense, she left government service for private practice in 1955.

Mrs. Hankins-Nesbitt is a member of the Administration Committee of the National Association of Regulatory Utility Commissioners (NARUC), and a member of the Executive Committee of the Great Lakes Conference of Regulatory Utility Commissioners. She is a past president of the Conference.

Since coming to Washington, D.C., Mrs. Hankins-Nesbitt has contributed generously of her time and talent to numerous professional and community organizations. She presently serves on the boards of directors of the United Way of the National Capital Area, the Rosemont Day Care Center and the Washington Bar Association. She is the first and only woman to date, to ascend to the presidency of the Washington Bar Association. During prior years, she served on the boards of the National Democratic Club, the D.C. Home Rule Committee, Camp Fire Girls, Iona Whipper Home, Legal Aid Society and the Advisory Committee of Dolphin and Evans Settlement Company.

Mrs. Hankins-Nesbitt is admitted to the District of Columbia and Virginia bars. She is admitted to practice before the Supreme Court of the United States. She is a life member of the National Bar Association, the Washington Bar Association, the Women's Bar Association of the District of Columbia, the American Bar Association and the National Association of Black Women Attorneys.

Among the awards that have been bestowed upon her are: 1976, "Woman Lawyer of the Year" by the Women's Bar Association of the District of Columbia; 1979, "Distinguished Service Award" for Outstanding Services to Citizens of the District of Columbia, by the Howard University Alumni Association; 1981, Distinguished Service Award by the Greater Washington Chapter, Women's Division, National Bar Association for outstanding achievements in the legal profession; 1981, the coveted Ollie May Cooper

Award for humanitarian services as a lawyer; and 1984, the Charles Hamilton Houston Medallion of Merit, the highest award given by the Washington Bar Association.

Mrs. Hankins-Nesbitt, a devout Christian, has taught Sunday School at Metropolitan Baptist Church for the past 34 years. She has been married to Vardell C. Nesbitt for 32 years and is the mother of one daughter. She has traveled extensively throughout the United States and abroad.

WESLEY H. LONG
Commissioner

An economist, Dr. Long has served on the District of Columbia Public Service Commission (Commission) since 1980. A native of Massachusetts, he received his Ph.D. in economics from the University of Michigan. Subsequently, he held combined teaching and research positions at Bowdoin College in Maine and at Pennsylvania State University. Dr. Long's position, just prior to his appointment to the Commission, was Deputy Director of the Office of Industrial Economics at the U.S. Department of Commerce. He was the first appointee to the Commission by Washington, D.C.'s Mayor Marion Barry, Jr.

As an active member of the National Association of Regulatory Utility Commissioners, Dr. Long served from 1982-84 as chairman of the Energy Conservation Committee and from 1982-87, as a member of the Electricity Committee and Chairman of its Subcommittee on Coal Freight Rates.

Dr. Long came to the Commission with a substantial background in District of Columbia community affairs. In 1976, he was among the first elected Advisory Neighborhood Commissioners and served as the first Chair of the Southwest/Southeast ANC. Subsequently, he chaired several city-wide neighborhood and ANC conferences. Also, he has served on several boards and commissions, among them: the Mayor's Overall Economic Development Advisory Board and the D.C. Citizens' Study Commission on Legalized Gambling. In 1981, he was elected as a Delegate of the D.C. Statehood Constitutional Convention and participated in drafting a proposed State Constitution for the District of Columbia.

DEPARTMENTAL OVERVIEW

OFFICE OF THE EXECUTIVE DIRECTOR

The Office of the Executive Director was established in 1979. James E. Kerr has served as Executive Director since November 1984.

The Executive Director plans, directs, coordinates and manages the internal affairs of the Commission on a day-to-day basis under the broad direction of the Chairman.

This Office coordinates and supervises staff activities in rate cases and generic proceedings; plans and implements policies and directives of the Commission; prepares budgets to the Mayor, Council of the District of Columbia and United States Congress; and is responsible for personnel and fiscal operations.

During Fiscal Year (FY) 1988, the Agency Budget for FY 1989 was formally submitted to the Council of the District of Columbia and Congress, with appropriate justification, and was approved. Regular audits were scheduled on internal Commission accounts and trust funds. New personnel were recruited to facilitate the expanding needs in utility regulation and the Office of Executive Director.

During Fiscal Year 1988, several major projects were initiated, developed and implemented by the Executive Director. Among those projects was the second phase of an Automated Data Processing (ADP) plan, that produced a consultant's report on the ongoing computer needs of the Commission.

A Procedures Manual was also developed to acquaint all employees with operating standards in each of the Commission's offices. A procurement policy, to address the methods of procurement for the Commission, neared completion at the end of this fiscal year.

During this period, the Executive Director also secured a lease for the expansion of office space, to accommodate a larger number of staff throughout the Commission.

James E. Kerr
Executive Director

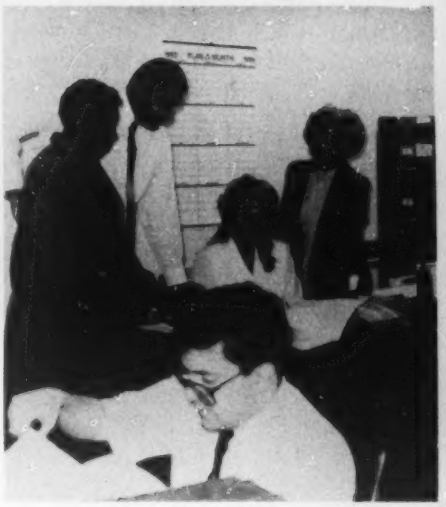
OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel (OGC) was established by the Council of the District of Columbia in 1980. Howard C. Davenport has been the General Counsel since March of 1984. He is the second attorney to serve in this position.

The OGC consists of the General Counsel, Staff Counsels, and support staff. The OGC serves as the legal advisor to the Commission. In this role, OGC has many functions. It represents the Commission Staff in Formal Cases (those proceedings involving major utility ratemaking, financial, and other investigatory issues), and tariff proceedings (e.g., filings by The Chesapeake and Potomac Telephone Company to amend certain aspects of telephone service); represents the Commission before federal agencies, including the Federal Energy Regulatory Commission and the Federal Communications Commission, and the federal courts; advises and makes recommendations to the Commission with respect to proposed legislation in the U.S. Congress and the Council of the District of Columbia; interprets federal statutes and regulations affecting the Commission; prepares notices of proposed and final rulemaking for the Commission; and performs all other legal functions.

Howard C. Davenport
General Counsel

OFFICE OF THE COMMISSION SECRETARY



The Office of the Commission Secretary has the responsibility of maintaining the Formal Case system for the Commission. This includes the receipt and distribution of Commission Orders, Notices and Press Releases and maintenance of an up-to-date information referral system.

During Fiscal Year 1988, the Office of the Commission Secretary received a total of 2,349 docketed filings in all active Formal Cases. In addition, the Office issued 232 Orders, 14 Public Notices, 21 Notices of Proposed Rulemaking, 22 Notices of Final Rulemaking, and 34 Notices of Agency Fund Requirements.

The Office of the Commission Secretary continued to expand its commitment to the archiving of old Commission case files in FY 1988. Initiated in 1987, this program enables the Commission to convert old paper files to microfiche archives. In FY 1988, 43 closed Formal Cases, 776 Orders and 11 changes to the Telephone Tariff were microfiched.

On April 11, 1986, the Commission issued Order No. 8455 in Formal Case No. 829, deregulating Customer-Owned Coin-Operated Telephone (COCOT) service in the District of Columbia. This Order required COCOT owners to file a Form A Registration for each telephone installed.

As a result of a decision in 1986 by the Interstate Commerce Commission (ICC), the Secretary's Office was required to administer a program for retaining ICC Motor Carrier Agent Designation BOC-3 forms, and E, H and K Insurance Registration forms for Motor Carriers. In FY 1988, the Office received 802 ICC BOC-3 forms, and 927 E, H and K Insurance Registration forms by mail.

During FY 1988 twenty-two formal cases were filed with the Commission. These filings and ongoing previous cases resulted in the issuance of Orders and opinions that were related to the regulation of the gas, electric, telephone, securities, and intra-district boat tour industries.

OFFICE OF ACCOUNTING AND FINANCE

The Commission relies on the Office of Accounting and Finance to provide it with professional accounting and financial expertise. The responsibilities of this Office include the examination and audits of the books, records, financial statements, and other information filed by the following three jurisdictional utility companies: The Chesapeake and Potomac Telephone Company (C&P); District of Columbia Natural Gas, a Division of Washington Gas Light Company (DCNG); and the Potomac Electric Power Company (PEPCO).

The Office of Accounting and Finance is required to verify and attest to the accuracy and the compliance of all accounting and financial filings with the respective Uniform System of Accounts, the Generally Accepted Accounting Principles (GAAP), the District of Columbia Public Utilities Municipal Regulations, and the directives of the Commission. The routine financial reports filed by the three jurisdictional utility companies include (1) monthly and annual financial statements, (2) depreciation studies, (3) cost allocation studies, and (4) special studies requested by the Commission.

One of the most time consuming tasks of this Office is the review and analysis of financial data submitted by the utility companies when requesting changes in jurisdictional utility rates. Staff performs detailed reviews of all accounting and financial data in the Company's application for rate changes. A report of Staff's findings, conclusions and recommendations is submitted to

the Commission when Staff is an Advisor in a case, or incorporated in Staff's direct testimony and exhibits filed as a part of such rate case proceedings on those issues in which the Commission orders Staff participation. As a case witness, Staff prepares data requests on the direct testimony and exhibits filed as a part of such rate case proceedings on those issues in which the Commission orders Staff participation. As a case witness, Staff prepares data requests on the direct testimony filed by the jurisdictional companies and other parties and submits data responses to the data requests on its direct testimony. Staff also assists legal counsel in the preparation of cross examination questions for the accounting and financial witnesses testifying on behalf of other parties to the case. Rebuttal testimony is written and filed, when necessary. During the rate case hearings, Staff is cross- examined on the direct and rebuttal testimony filed by all the accounting and financial witnesses.

The auditing activities of this Office include a detailed audit of the monthly Fuel Adjustment Clause (FAC) filed by PEPCO, and the monthly Purchased Gas Adjustment (PGA) filed by DCNG. These Commission authorized fuel clauses adjust the base charge for each unit of electric or gas service billed to D.C. customers to reflect the current, actual costs of the fuel purchased by the utility company. Upon recommendation of this Office, the Commission approves each of the proposed adjustment factors calculated by the Company.

Staff is required to analyze each Telephone Tariff, attend data conferences, file data requests, review data responses and provide legal counsel with technical information which is used in Staff's comments filed on the record. Another area of responsibility is the monitoring of the Customer Owned Coin Operated Telephones (COCOT's). Staff continuously reviews and submits comments to the Commission on the COCOT applications, the annual reports, and reports on the connections and disconnections of COCOTs.

In addition to the duties outlined above, the accounting and financial staff is involved in the on-going process of monitoring the utility companies' operations, construction programs, management efficiency programs, transactions with affiliated companies, etc.

UNIFORM SYSTEM OF ACCOUNTS

The following classifications of accounts have been prescribed for the use of utilities subject to the jurisdiction of the Commission:

Electric Companies:

Title: Federal Energy Regulatory Commission "Uniform System of Accounts, Prescribed for the Public Utilities and Licenses (Class A and B, C, and D)". Subject to the Provisions of the Federal Power Act in effect on April 1, 1973" as amended.

Publisher: United States Government Printing Office, Washington, D.C.

Gas Companies:

Title: Federal Energy Regulatory Commission "Uniform System of Accounts, Prescribed for Natural Gas Companies (Class A and B, C, and D". Subject to the Provisions of the Natural Gas Act, in effect on May 29, 1974, as amended.

Publisher: United States Government Printing Office, Washington, D.C.

Telephone Companies:

Title: Federal Communications Commission "Part 32, Uniform System of Accounts for Class A and Class B Telephone Companies". Effective January 1, 1988, subject to modification by this Commission.

Publisher: United States Government Printing Office, Washington, D.C.

OFFICE OF CONSUMER SERVICES

The Office of Consumer Services (OCS), serving as the public relations arm to the Public Service Commission, provides complaint and informational services to utility consumers. It investigates, adjudicates and negotiates customer complaints and disputes that cannot be resolved informally between the customer and the utility company. Office staff is responsible for providing public information and education regarding utility consumers' rights and responsibilities, as well as other Commission matters.

Office staff informs the Commission of local and national utility-related trends, and provides the Commission with information on how well the utility companies serve the customers. This office participates in the consumer hearing process by collecting data, providing the consumer with information, and coordinating the hearing schedule. A quarterly newsletter is published by the Office of Consumer Services covering utility-related matters and activities at the Commission. Office staff implements a community outreach project for the Commission which includes a speaker's bureau and the development and distribution of informational literature; i.e., the Consumer Bill of Rights and an energy conservation booklet.

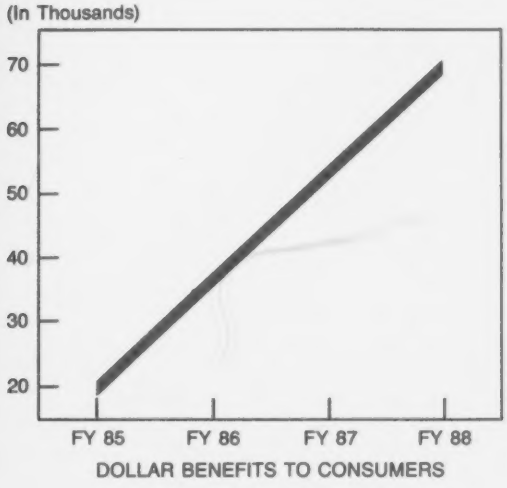
The Office staff consists of five persons who have been very effective in resolving complaints and in providing utility-related services to citizens of the District of Columbia. For example, during 1988 the Office received approximately 13,543 complaints/calls of which 90% were resolved to the mutual satisfaction of the parties involved. Typical complaints concerned billing errors and termination of service.

In addition to the above primary responsibilities and duties, the Office was involved in other activities during 1988. Specifically, in an effort to broaden the scope of understanding within the community, OCS Staff recently adopted a plan for community outreach. This plan focuses on a public awareness campaign designed to educate the community about energy consumption and initiatives pertaining to utilities. Some components of the community outreach plan include the further development and implementation of:

- Cable television programming
- Speaker's bureau
- Mobile unit/display
- Literature and publications on such topics as utility consumer rights, energy conservation, etc.
- Utility bulletin newsletter
- ANC liaison activities

OCS was given the responsibility of monitoring Audiotex Service which entails providing the Commission with monthly reports detailing the type of complaints received and the resolution thereof.

Number of Complaints Filed	13,543
Percentage of Complaints Resolved	90%
Dollar Amount Saved Consumers	$67,786



DOLLAR BENEFITS TO CONSUMERS

OFFICE OF ECONOMICS

The Office of Economics was established in 1980. Its primary duties and responsibilities are to represent Commission Staff on economics issues in formal cases that are being litigated actively (e.g. preparation of testimony), and those that are in the post litigation stage. These duties involve critiquing studies and reports filed by the three utility companies and conducting independent studies. This office also advises the Commission on economics issues, conducts Commission-sponsored studies, and prepares papers and articles for presentation at economics and regulatory conferences and for publication in economics and regulatory journals and periodicals.

In 1988, Office Staff prepared testimony in F.C. Nos. 869 (PEPCO rate case), 870 (DCNG rate case), 874 (DCNG gas acquisition strategies), and TT86-11 (Audiotex). Subject matters included load research and load loss estimation, rate design, marginal cost tracking and estimation, revenue forecasting, econometric-based weather normalization methods, gas market definition and structure, and impacts on energy consumption of the low income discount programs of PEPCO and DCNG.

Office Staff is conducting an analysis of PEPCO's econometric load forecasting models in F.C. Nos. 834 and 877. The data have been obtained from PEPCO and staff's models are being generated. Staff's models are incorporating end-use data into the long-run sales models, as required by the final order in F.C. No. 834, Phase II.

Office Staff participated in working groups in F.C. Nos. 814 (bypass, competition and regulatory restructuring), 766 (productivity improvement working group), 834 (PEPCO and DCNG least cost planning), 840/870 (Load Research Advisory Group called LRAG) and 828 (Centrex).

The Office Director arranged and co-sponsored a symposium entitled "Competition and the Regulation of Telecommunication Services in D.C." The symposium was held on October 6, 1988. Economics Staff also drafted chapters of a report on competition and regulatory restructuring in D.C. and supervised special bypass and impacts of technological change reports by a consultant. The report was filed at the end of December, 1988 in F.C. No. 814.

Office Staff supervised a consultant's study of the distribution of the benefits from reclassification of master-metered apartments (MMA's) from the general service to the residential rate. The study found that, since reclassification, rents in a sample of MMA's have risen more slowly than in closely matched individually metered apartments but this result could not be definitively tied to the reclassification. The study was accomplished under F.C. No. 785.

The Office Director conducted an analysis of the residential demand for telephone services in D.C., based on quarterly data compiled by the Federal Communications Commission (FCC).

Office Staff conducted an evaluation of the DCNG low-income discount tariff (called RES) and its effect on gas consumption of low income households. The study was based on an analysis of a data base compiled by DCNG through the LRAG. The data base contains 1688 single family households comprised of 437 low-income households on the RES tariff, 326 low-income households not on the RES tariff, and 925 households which are not low-income. The results of the study were presented in a paper at the National Regulatory Research Institute's (NRRI) Biennial Regulatory Information Conference (BRIC) held in Columbus, Ohio on September 16, 1988. The paper was published in the conference proceedings. This was the first time staff from the District of Columbia Public Service Commission presented a paper at the conference.

A Staff consultant conducted an econometric analysis of the energy avoidance associated with PEPCO's and DCNG's residential conservation service programs. The paper was presented at the NRRI BRIC conference in September 1988 and was published as part of the proceedings.

Office Staff contributed to comments submitted by the Commission on telecommunications matters before the Federal Communications Commission (FCC) such as price caps, penetration studies, bypass, cable TV crossover, relaxation of Link Up America eligibility criteria, Bell Atlantic's plans for gateway service, and the pricing of gateway services, etc.

The Office Director was appointed by the NRRI Board of Directors as Chairman of the Research Advisory Committee (RAC) effective October 1, 1988. (She has been a member of the RAC since October 1, 1987). The Research Advisory Committee assists the NRRI staff in the selection of research projects each year and RAC evaluates the studies that are undertaken by NRRI.

OFFICE OF ENGINEERING

The responsibilities of the Office of Engineering center on participation in formal cases which have a technical dimension and administration of the Natural Gas Pipeline Safety Program. The Office of Engineering is responsible for providing engineering review and analysis in:

(1) formal rate cases, investigations, and rulemaking,
(2) informal studies and investigations,
(3) matters related to customer service, and,
(4) gas pipeline safety.

Both the formal and informal proceedings cover a wide range of issues related to electric, telephone, and gas utilities. In 1988 the Office participated in gas and electric rate cases, in working groups with the Office of People's Counsel and utility representatives to resolve issues relating to Centrex, least-cost planning, and electric generation productivity improvement. The Office assists in the investigation of customer complaints regarding meter accuracy and conducts referee tests of meters upon request.

The Office participates in activities of the NARUC Staff Subcommittee on Technology and attends numerous industry forums to both represent the staff and to keep abreast of new technological developments. In 1988 the Office of Engineering has entered a new era with the addition of a new Director and an active effort to fill remaining engineer vacancies.

Gas Pipeline Safety Program

The District of Columbia Public Service Commission (Commission) is designated by the U.S. Department of Transportation as its agent for gas pipeline safety inspection and enforcement. The Commission has continued to improve its pipeline safety program in 1988 by dealing affirmatively with outstanding problem areas and by increasing the number of pipeline safety inspections. Training and inspection quality have also increased during 1987 and 1988.

Total gas pipeline safety inspections performed by the Commission have increased from less than 100 in FY86 to over 150 in FY88. With the increase in inspections has come an improvement in the quality of the inspections. For example, notices are now sent to Washington Gas Light Company (WGL) detailing actions to be taken to correct gas safety violations, a combustible gas indicator (CGI) is used to check the company's accuracy in pinpointing gas leakages, and a pipe-to-soil potential meter is used to more accurately determine pipeline corrosion protection.

Although the Commission's gas pipeline safety program achieved a 96 percent rating in its 1987 DOT evaluation, work is going forward to further improve the program in line with suggestions made by the DOT. This includes a complete review of WGL's cathodic protection program, a determination of the status of cast iron pipe leaks, and a review of cathodic protection quality control procedures used by WGL.

During 1987 and 1988, the Commission continued to vigorously enforce the provisions of the Natural Gas Pipeline Safety Act (Act) relating to regulation of small gas operators (SGOs). All SGOs in the District of Columbia are now in the process of converting their systems to Washigton Gas Light Company ownership and operation. The Commission will continue to monitor the program to ensure that all SGOs complete their planned conversions to WGL ownership.

1988 PIPELINE SAFETY INSPECTION ACTIVITY

Office of Engineering
District of Columbia
Public Service Commission

Inspection Type	Fiscal Year 1987	1988	1989(e)
Pipeline Safety Inspections and Incident Responses	92	148	150
Gas Meter Referee Tests	7	8	10
Small Gas Operators (SGOs) Compliance[1] Inspections	—[2]	6	15
Special Topic Inspections (i.e, cathodic protection)	4	12	12

(e) estimated for Fiscal Year 1989
[1] one SGO now operates ten (10) individual small gas systems in the District.
[2] information not available.

OFFICE OF SECURITIES

The District of Columbia Securities Act (the Statute) was promulgated by Congress in August, 1964, in recognition of the fact that there were regulatory gaps in the jurisdiction of the Securities and Exchange Commission, the National Association of Securities Dealers and other self-regulatory organizations. Two of the major problems at the time related to the financial condition of some broker-dealers (mainly over-the-counter broker-dealers) and sales practices of individual agents. The principal thrust of the Statute, therefore, was the licensing of broker-dealers and their agents and an anti-fraud section very similar to that contained in Federal Securities Statutes. Since transactions in the District of Columbia are "interstate", the Statute did not provide for registration of securities issues as is the case in almost every other state. Enforcement of the Act was assigned to the Commission through the Office of Securities which became operational in February, 1965.

The Commission's Securities Office has an authorized staff of seven (7) persons: Director, Deputy Director, Investigator, Secretary, Licensing Examiner, Assistant Licensing Examiner and Clerk. The Office has three principal functions: 1) Licensing of agents and broker-dealers; 2) Regulatory-rulemaking, inspections, etc. and; 3) Enforcement.

The Commission's enforcement capabilities include: 1) administrative action against licensees, or applicants in which it can deny, suspend, or revoke licenses or applications of agents and/or broker-dealers; 2) injunctive action, brought in the Superior Court of the District of Columbia to enjoin acts prohibited under the Statute and; 3) criminal prosecution of those deemed to have willfully violated provisions of the Statute by reference of the matter to the appropriate authority.

In addition to the investigative and trial functions, the Office conducts inspections of broker-dealers, often in cooperation with other regulatory bodies. These inspections normally entail, among other things, an examination

of the financial condition of the broker-dealers, pricing, and other requirements. In addition, an examination is made of the adequacy of the firm's supervisory procedures and internal controls over sales representatives. Where appropriate, an examination is also made of the sales practices of the firm's sales representatives.

Another major function of the Securities Office is the screening of all applications for licenses filed by agents and broker-dealers. During FY 1988, the Commission issued 8,357 initial agent licenses. In some instances, personal interviews were conducted with initial agent applicants and with principals in broker-dealer firms initially applying for licensing under the Statute. In this manner, the Staff is able to obtain further information concerning an applicant's qualifications and the manner in which he/she intends to conduct business in the District of Columbia.

The Statute creates a Securities Advisory Committee which is composed of six persons, at least two of whom must be engaged in the securities business. The Committee advises the Commission as to any and all matters pertaining to administration of the Securities Act. Of particular importance is the advice of the Committee with respect to the adoption of proposed rules, regulations and forms used in the licensing process.

STATISTICAL DATA WITH RESPECT TO AGENT AND BROKER-DEALER LICENSES

The following tables provide information concerning initial and renewal licenses of broker-dealers, including a breakdown of broker-dealer membership in regulatory oranizations. During FY 1988, 789 broker-dealers obtained renewal licenses and 182 obtained initial licenses. A total of 132 broker-dealers withdrew their licenses or allowed their licenses to expire.

BROKER-DEALER INITIAL AND RENEWAL LICENSES ISSUED IN 1987

Licenses Issued:

To members of the combined National Association of Securities Dealers (NASD), Securities Exchange Commission (SEC), and National Stock Exchange (NSE)	198
To members of the NASD and SEC	645
To members of the NASD and NSE	52
To members of the NASD only	76
To non-affiliates	-0-
Total licenses in effect September 30, 1988	**971**

Initial Agent Applicants

Total initial applications received	8,784
Total applications carried forward from 1987	325
Total applicants subject to licensing	9,109
Applicants denied licensing	3
Applicants pending on September 30, 1988	399
Applicants allowed to withdraw	350
Total applicants who became licensed	8,357

Filing Fees

During Fiscal Year 1988, the Commission deposited with the District of Columbia Treasury, a total of $1,124,020 received in connection with filing fees.

POTOMAC ELECTRIC POWER COMPANY
BALANCE SHEET
FISCAL YEAR ENDED SEPTEMBER 30, 1988
(000 Omitted)
ASSETS AND OTHER DEBITS

Utility Plant - Electric Plant	
Electric plant in service	3,750,546
Electric plant held for future use	4,223
Constuction work in progress	125,194
Electric plant acquisition adj	336
Total Electric Plant	3,880,299
Accumulated depreciation	(1,069,368)
Accum prvsn for amor elect plt	(3,374)
Acm prvsn amor el plt acq adj	(336)
Total Depreciation	(1,073,078)
Other Property and Investments	
Nonutility property	1,663
Accum depr nonutil prop	(169)
Inv in subsidiary companies	246,908
Other investments	159
Total Other Prop and Invest	248,561
Current and Accrued Assets	
Cash	11
Interest special deposits	1,782
Dividend special deposits	35,579
Other special deposits	644
Working funds	141
Temporary cash investments	11,962
Customer accounts receivable	114,943
Other accounts receivable	28,656
Accum prov for uncoll accts credit	(4,050)
Accts rec from assoc companies	326
Fuel stock	64,218
Plant material and oper suppl	70,996
Stores expense undistributed	2,566
Prepayments	25,670
Interest/dividends-receivable	8
Rents receivable	19
Accrued utility revenues	27,196
Misc current and accrued assets	0
Total Current and Accrued Assets	380,667
Deferred Debits	
Unamort debt expense	5,765
Unrecovered plant & regulatory study cost	39,418
Prelim survey & invest charges	11,119
Clearing accounts	683
Miscellaneous deferred debits	32,102
Research dev and dem expenses	246
Unamortized loss-reacq. debt	24,638
Accum deferred income taxes	33,378
Total Deferred Debits	147,349
Total Assets and Other Debits	3,583,798

POTOMAC ELECTRIC POWER COMPANY
BALANCE SHEET
FISCAL YEAR ENDED SEPTEMBER 30, 1988
(000 Omitted)

LIABILITIES AND OTHER CREDITS

Proprietary Capital	
Common stock issued	94,451
Preferred stock issued	143,470
Premium on capital stock	123,487
Reduction in par value capital stock	377,730
GN-resale/canc of reacq capitol stock	2,327
Miscellaneous paid-in-capital	262
Capital stock expense	(9,836)
Unappropriated retain earnings	675,791
Total Proprietary Capital	1,407,682
Long-Term Debt	
Bonds	1,186,544
Other long-term debt	0
Unamort prem long-term debt	595
Unamort disc long-term debt	(10,642)
Total Long-Term Debt	1,176,497
Other Noncurrent Liabilities	
Accum prvsn injuries and damages	453
Total Other Noncurrent Liabilities	453
Current and Accrued Liabilities	
Notes payable	110,690
Accounts payable	95,901
Accts pay to assoc companies	8,915
Customer deposits	18,927
Taxes accrued	79,725
Interest accrued	24,884
Dividends declared	35,579
Tax collections payable	16,154
Misc current and accrued liabilities	12,521
Total Current and Accrued Liabilities	403,296
Deferred Credits	
Customer advances for construction	321
Other deferred credits	55,292
Accum deferred invest tax credit	89,251
Accum def inc tax-poll control	43,371
Accum def inc tax-property	345,002
Accum def inc tax-other	62,633
Total Deferred Credits	595,870
Total Liabilities and Other Credits	3,583,798

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY
BALANCE SHEET
FISCAL YEAR ENDED SEPTEMBER 30, 1988
(000 Omitted)

ASSETS AND OTHER DEBITS

Cash and equivalents	$16,472
Net receivables	126,451
Inventories	3,361
Prepaid accounts	14,506
Other current assets	2,074
Total Current Assets	162,864
Noncurrent Assets	
Investments	423
Other noncurrent assets	2,775
Deferred charges	22,438
Other Jurisdictional Assets-Net	0
Total Noncurrent Assets	25,636
Property, Plant and Equipment	
Telecommunications plant in service	1,194,220
Telecom plant under construction	15,469
Telecommunications Plant Adjustment	0
Non-operating plant	2,957
Total Plant	1,212,646
Goodwill	0
Less depreciation and amortization reserve	(502,747)
Total Property, Plant and Equipment	709,899
Total Assets	$898,399

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY
BALANCE SHEET
FISCAL YEAR ENDED SEPTEMBER 30, 1988
(000 Omitted)

LIABILITIES AND OTHER CREDITS

Current Liabilities	
Accounts and notes payable	$72,949
Current maturities	1,657
Current taxes	11,322
Other current and accrued liabilities	30.146
Total Current Liabilities	116,074
Long-Term Debt	
Funded debt	255,000
Other long-term debt	(3,011)
Total Long-Term Debt	251,989
Other Liabilities and Deferred Credits	
Other liabilities and deferred credits	6,060
Noncurrent taxes	176,241
Other juris liab and def credits-nets	0
Total Other Liab & Def'd Credits	182,301
Stockholder's Equity	
Capital Stock	249,968
Additional Paid-in-Capital	0
Treasury stock and other capital	0
Retained Earnings:	
Appro and Unappro retained earnings	98,067
Jurisdictional diff-retained earnings	0
Total Retained Earnings	98,067
Total Stockholder's Equity	348,035
Total Liabilities and Capital	898,399

WASHINGTON GAS LIGHT COMPANY
BALANCE SHEET
FISCAL YEAR ENDED SEPTEMBER 30, 1988
(000 Omitted)

ASSETS AND OTHER DEBITS

Property plant and equipment	
Plant	$917,763
Accumulated provisiou for depreciation	(310,641)
Accumulated provision for amortization and depletion	(4,397)
Net Property, Plant & Equipment	602,725
Investment and Fund Accounts	
Investments in subsidiary companies	57,368
Other investments	537
Total Investment and Fund Accounts	57,905
Current and Accrued Assets	
General cash and special deposits etc.	1,674
Notes and accounts receivable	53,952
Materials and supplies	23,406
Other current and accrued assets	61,021
Total Current and Accrued Assets	140,053
Deferred Debits	
Unamortized debt expense	983
Purchased gas cost	8,779
Miscellaneous deferred debits	7,255
Unamortized loss on reacquired debt	3,734
Accumulated deferred income taxes	11,704
Total Deferred Debits	32,455
Total Assets and Other Debits	$833,138

WASHINGTON GAS LIGHT COMPANY
BALANCE SHEET
FISCAL YEAR ENDED SEPTEMBER 30, 1988
(000 Omitted)

LIABILITIES AND OTHER CREDITS

Proprietary Capital	
Common stock issued	17,148
Preferred stock issued	28,706
Other paid-in capital	187,802
Capital stock expense	(285)
Retained earnings	117,515
Total Proprietary Capital	350,886
Long-Term Debt	
Bonds-first mortgage	270,634
Unamort disc on long-term debt-debit	(1,651)
Total Long-Term Debt	268,983
Total Capitalization	619,869
Other Noncurrent Liabilities	5,562
Current and Accrued Liabilities	
Notes payable	26,900
Accounts payable	52,068
Payables to associated companies	7,238
Customer deposits	5,054
Taxes accrued	2,923
Interest accrued	5,808
Dividends declared	8,396
Tax collections payable	2,463
Rate adjustment	679
Misc current and accrued liabilities	634
Obligations under capital leases	612
Total Current and Accrued Liabilities	112,820
Deferred Credits	
Customer advances for construction	1,906
Other deferred credits	12,624
Accum deferred investment tax credits	29,336
Unamortized gain on reacquired debt	1,005
Accumulated deferred income taxes	50,016
Total Deferred Credits	94,887
Total Liabilities and Other Credits	$833,138

POTOMAC ELECTRIC POWER COMPANY
INCOME STATEMENT
FISCAL YEAR ENDED SEPTEMBER 30, 1988
(000 Omitted)

Utility operating income	$1,344,837
Utility operating expenses	1,075,828
Net Utility Operating Income	269,009
Other income and deductions	
Other income	30,625
Other income deductions	1,390
Taxes on other income	(2,021)
Net Other Income and Deductions	31,256
Income before interest charges	300,265
Interest charges	90,840
Income before extraordinary items	209,425
Extraordinary items net of taxes	0
Net Income	209,425

THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY
INCOME STATEMENT
FISCAL YEAR ENDED SEPTEMBER 30, 1988

(000 Omitted)

Operating revenues	$498,946
Operating expenses	380,901
Net Utility Operating Revenues	118,045
Other Income Expenses and Taxes	
Other operating income and expenses	1,302
Operating income before taxes	119,347
Operating taxes - Federal	16,817
Operating taxes - State, Local and other	36,655
Total operating taxes	53,472
Utility operating income	65,875
Non-operating income, expenses and taxes	78
Income before interest and related items	65,953
Interest and related items	21,605
Income after interest and related items	44,348
Extraordinary items	232
Net Income	$44,580

WASHINGTON GAS LIGHT COMPANY
INCOME STATEMENT
FISCAL YEAR ENDED SEPTEMBER 30, 1988
(000 Omitted)

Utility operating income	$634,474
Utility operating expenses	572,866
Net Utility Operating Income	61,608
Other Income and Deductions:	
Other income	7,252
Other income deductions	1,316
Taxes on other income	1,099
Net Other Income and Deductions	4,837
Income before interest charges	66,445
Interest charges	22,536
Income before extraordinary items	43,909
Extraordinary items net of taxes	292
Net Income	$44,201

POTOMAC ELECTRIC POWER COMPANY
FISCAL YEAR ENDED SEPTEMBER 30, 1988

Class of Service	District of Columbia		
	Revenues	Energy sales KWH	Customers
Residential	$92,723,227	1,460,194,843	186,847
Commercial	469,220,033	7,535,705,466	26,092
Street Lighting	4,053,516	97,133,261	36
Outdoor Lighting	13,177	103,930	33
Metro-Rapid Transit	13,699,944	216,252,820	1
Total	$579,709,897	9,309,390,320	213,009

DISTRICT OF COLUMBIA NATURAL GAS
FISCAL YEAR ENDED SEPTEMBER 30, 1988

Class of Service	District of Columbia		
	Revenues	Therm Sales	Customers
Residential	$86,218,502	129,797,099	131,217
Commercial and Industrial			
Commercial - Firm			
Other than Group Metered Apartments	40,914,206	65,282,760	11,001
Group Metered Apartments	26,758,108	43,225,386	3,473
Commercial and Industrial - Interruptible	30,278,731	81,490,288	346
Total	$184,169,547	319,795,533	146,037

CHESEPEAKE AND POTOMAC TELEPHONE COMPANY
FISCAL YEAR ENDED SEPTEMBER 30, 1988

Class of Service	District of Columbia	
	Access Lines	Revenues
Residential		
Metropolitan Area Wide Service (Flat)	133,692	$30,304,000
Measured Area Wide Service (60 call allowance)	43,585	9,470,000
District of Columbia (Unlimited calls in D.C.)	96,420	21,466,000
Economy I (No call allowance)	2,987	1,263,000
Economy II (60 call allowance)	4,493	631,000
Centrex	315,072	49,114,000
Other Business	167,053	152,972,000
Total	763,302	$265,220,000

SPECIAL PROGRAMS AUTHORIZED BY THE PUBLIC SERVICE COMMISSION

POTOMAC ELECTRIC POWER COMPANY

• **Residential Aid Rider** - For residential customers who have been certified by the D.C. Energy Office as meeting eligibility requirements for Low Income Home Energy Assistance Program (LIHEAP) or the Complementary Energy Assistance Program (CEAP). Contact the D.C. Energy Office at 724-2100.

• **Time Metered Residential Service Schedule (RTM)** - Under these rates, the price of electricity varies over the time of the day, day of the week, and season of the year. For more information, call PEPCO's Energy Management Division at 872-4630.

• **Master-Metered Apartments** - For owners, agents, lessors or managers of apartment buildings which meet certain service requirements, the dwelling must be billed using a multiple application of the Residential Rate Schedule "R". Contact a PEPCO Service Representative at 833-7500.

• **Average Payment Plan** - Residential customers' estimated annual cost of electricity is divided into 12 equal monthly installments. Contact a PEPCO service representative at 833-7500.

• **Time Payment Arrangements** - Time payment arrangements are available to customers who experience temporary financial conditions that make it difficult to keep their accounts current. Contact a PEPCO Service Representative at 833-7500.

• **Extended Payment Date Plan** - Available to customers whose main source of household income is from Social Security, Aid to Families with Dependent Children, or other government-sponsored, low-income assistance programs. The plan permits qualified customers to extend the due date of their current monthly bill to the 5th of the following month to correspond with the normal delivery date of assistance payments. Contact a PEPCO Service Representative at 833-7500.

• **Third Party Notice** - This program is designed to help protect customers who might not be able to act quickly enough in their own behalf to prevent disconnection of their electric service. The company will send a copy of the notice to a third party. Contact a PEPCO Service Representative at 833-7500.

• **Free Energy Audits** - PEPCO offers two kinds of residential energy audits which provide customized recommendations to make your home more energy efficient. Call 872-4626 for more information.

• **Gatekeeper Program** - This program will help senior customers in the area get the information and assistance they need, when they need it. PEPCO employees are on the lookout for safety and well-being of senior customers. Contact a PEPCO Service Representative at 833-7500.

D.C. NATURAL GAS

• **Deferred Payment Plan** - Spreads payments out over several months with no interest or late charges.

• **Payment Extension Plan** - Changes your gas bill's due date if your monthly check from Social Security or income assistance program currently arrives too close to the time we require payment.

• **Budget Plan** - Spreads your payment into 11 equal installments, which are paid from July through May. In June, a regular bill is sent which adjusts for any differences.

• **Third Party Notification** - Allows you to designate a third party, to be notified by DCNG of any pending service cutoffs resulting from past-due bills.

• **Residential Essential Services Rider** - This is a lifeline natural gas rate whereby eligible customers must use gas for their principal source of space heating requirements. Customers must be certified as eligible for low-income Home Energy Assistance (LIHEAP) or Comlimentary Energy Assistance Program (CEAP) by D.C. Energy Office. Customers on the RES rate will receive a discount rate on the first 150 units of gas used from December through March.

CHESAPEAKE AND POTOMAC TELEPHONE COMPANY

• **Link Up America** - Helps to make telephone service available to people who can't afford all the costs. Persons who are eligible for public assistance are eligible for Link Up America, if there has been no telephone in the home for at least three months; if the individual is not claimed as a dependent for federal income tax purposes; or if the individual meets certain D.C. Energy Office criteria. Call 392-LINK.

• **Audiotex Blocking** - Customers may elect to receive or block the audiotex calls (976) from their telephone lines. A new 915 exchange will go into effect February 1989. All programs that are considered to be "adult" oriented will begin with the 915 exchange.

• **Economy I** - This service is available to all C&P residential customers. Customers are charged a flat 6.8 cents per outgoing call and have unlimited incoming calls.

• **Economy II** - Economy II is a low-cost telephone service to residents of the District of Columbia who meet specific eligibility requirements. Customers must be sixty-five years of age or older and qualify for D.C. Energy Assistance. The service permits the customer to make 60 calls per month in the D.C. area (Maryland and Virginia) for a flat monthly fee of $4.00. Any additional calls cost seven cents each.

Public Service Commission participates in Roosevelt High School partnership program.

COMMISSION ACTIVITIES DURING FISCAL YEAR 1988

- FORMAL HEARINGS 27 DAYS
- COMMUNITY HEARINGS 18 DAYS

POTOMAC ELECTRIC POWER COMPANY

Formal Case No. 865: Application of POTOMAC ELECTRIC POWER COMPANY To Amend The Average Payment Plan.

FC 866: Application of POTOMAC ELECTRIC POWER COMPANY for Authority To Amend Schedule "DC-TR".

FC 869: Application of POTOMAC ELECTRIC POWER COMPANY for an Increase in Retail Rates for the Sale of Electric Energy.

FC 873: Procedures to Implement D.C. Code Section 43-1002.

FC 876: POTOMAC ELECTRIC POWER COMPANY's Policy and Procedure for Providing Traffic Signal Service and the Associated Regulatory Treatment of Traffic Signal Conduit in the District of Columbia.

FC 877: Application of POTOMAC ELECTRIC POWER COMPANY for Approval to Construct Combustion Turbines At Its Benning Generating Station.

FC 879: Application of the POTOMAC ELECTRIC POWER COMPANY For A Certificate of Authority To Issue Debt and Equity Securities.

FC 881: Commission's Investigation of the POTOMAC ELECTRIC POWER COMPANY'S proposed Coal Contract with Kingwood Mining Company.

DCNG - DISTRICT OF COLUMBIA NATURAL GAS COMPANY

FC 870: Application of DISTRICT OF COLUMBIA NATURAL GAS, A DIVISION OF WASHINGTON GAS LIGHT COMPANY for Authority to Increase Rates.

FC 871: Application of WASHINGTON GAS LIGHT COMPANY for A Certificate of Authority to Issue Common Stock.

FC 874: Gas Acquisition Strategies of DISTRICT OF COLUMBIA NATURAL GAS, A DIVISION OF THE WASHINGTON GAS LIGHT COMPANY.

C&P - CHESAPEAKE AND POTOMAC TELEPHONE COMPANY

FC 875: Alternative Operator Services in the District of Columbia.

FC 878: Adoption of the Uniform System of Accounts for Telephone Corporations

SECURITIES

FC 872A: Securities Licenses in the District of Columbia, Order 8957

FC 872B: Securities Licenses in the District of Columbia, Order 8958.

FC 872C: Securities Licenses in the District of Columbia, Order 8964.

FC 872D: Securities Licenses in the District of Columbia, Order 9016.

FC 872E: Securities Licenses in the District of Columbia, Order 9017.

FC 872F: Securities Licenses in the District of Columbia, Order 9049.

TELEPHONE TARIFFS

TT88-1: Interexchange Carrier Coinless Telephone Service.

TT88-2: United States Senate ICB.

TT88-3: Initial Direct Inward Dialing (DID) Number Group.

TT88-4: Two-Way Recording of Telephone Conversations.

TT88-5: Residence Service Variety Package.

TT88-6: Split Referral Intercept.

TT88-7: Switched 56 Kilobit Service.

TT88-8: Detariff DHCTE.

TT88-9: Single Payment Option Plan.

TT88-10: Tone Block.

TT88-11: C.O. Lans System Control.

TT89-1: Premium Installation Appointment.

AT&T TECHNOLOGIES

FC 868: Public Service Commission's Investigation into Public Utility Status of AT&T Technologies.

INDEPENDENT UTILITIES

FC 867: Public Service Commission's Investigation into Public Utility Status of the Institutional Communications Company.

FC 880: Valuation of the Institutional Communications Company for Assessment Purposes.

PUBLIC SERVICE COMMISSION
PARTICIPATION IN FEDERAL PROCEEDINGS

A. Federal Communications Commission.

CC 78-72 Divestiture related tariff changes.

CC 80-286 Universal Service and assistance to low income households.

In the two proceeding dockets, the FCC adopted programs providing financial assistance to low income persons to allow them to continue telephone service. Recently, the FCC adopted a new program called Link-Up America, which provides financial assistance for initial telephone connection. The Commission supported both of these measures.

These proceedings also resulted in the FCC's adoption of its controversial subscriber line charge. Currently, this charge requires residential customers and single line business customers to pay $3.50 a month for long distance-related costs irrespective of whether or not they placed long distance calls.

CC 81-893 Detariffing of telephone equipment and enhanced services.

CC 85-229 Third Computer Inquiry (Provision of computerized services by Bell Operating Companies).

In this proceeding, the FCC has established procedures enabling the Bell Companies to provide computer enhanced services directly, rather than through a separate subsidiary. The Commission has intervened in an appeal of this ruling to the extent that it preempts the authority of the states to adopt different requirements.

CC 86-9 Shared Tenant Services.

CC 86-79 Telephone equipment sales structural separations relief.

CC 86-111 Bell Company provision of non-regulated services.

This extremely important proceeding establishes accounting rules the Bell Companies must follow in order to provide non-regulated services directly, rather than through a separate subsidiary.

CC 86-297 Separations of telephone company costs and revenues between state and federal jurisdictions.

The FCC adopted new procedures for determining which costs of local telephone service must be recovered through local telephone rates, and which must be recovered through long distance rates. The Commission has participated extensively in this docket.

CC 87-135 Accounting treatment for certain telephone company property costing $500 or less.

DA 87-377 Bell Atlantic petition for authority to market jointly network services and telephone equipment.

GEN 83-989 Rules to prevent access by minors to unsuitable recorded telephone messages.

The FCC has been attempting for several years to enact rules which will restrict access by minors to so-called "dial-a-porn" announcements. The Commission has twice submitted comments with the FCC discussing the pros and cons of alternative restriction methods.

AAD 7-1671 Bell Atlantic cost allocation manual.

ENF 87-14 Teleport Communications petition re interconnection of facilities at central offices.

B. Federal Energy Regulatory Commission

RM85-17 Rulemaking on regulation of electricity sales-for-resale and transmission service.

RM86-3 Rulemaking to increase ceiling price of "old" gas.

PSC opposed FERC effort to raise the price of natural gas not deregulated by Congress in the Natural Gas Policy Act. FERC final rule is now on appeal in Fifth Circuit where PSC has joined others on brief in opposition.

CP86-693 Application of the Washington Gas Light Co., *inter alia*, for a disclaimer of jurisdiction.

PSC urged FERC to defer to states in regulating the transportation services of WGL. In this way, local commissions in D.C., Maryland, and Virginia could maintain their traditional regulatory sovereignty over the operation of WGL.

CP86-756 Application of Consolidated Gas Transmission to construct facilities and transport gas on behalf of the Washington Gas Light Co.

RP86-117 Application of the Gas Research Institute for rate approval.

RP86-168 Application of Columbia Gas Transmission Corporation for a Rate Increase.

ER87-330 Application of Monongahela Power Co. for authority to sell and transport electricity to and for the Potomac Electric Power Company.

PSC requested and obtained declaratory statement of FERC that PSC had jurisdiction to determine whether PEPCO had been prudent in selecting source of power.

RM87-3 Rulemaking on annual fees to be collected pursuant to Omnibus Budget Reconciliation Act of 1986.

PSC commented, and FERC agreed, that WGL should not be subject to certain new annual fees that would increase rates to local ratepayers.

PL87-3 Policy statement on the recovery of take-or-pay costs.

PSC commented that costs of take-or-pay contracts should not be born by local ratepayers until pipelines prove that such costs were prudently incurred.

CP87-390 Application of Columbia Gas Transmission for authority to abandon sales to the Washington Gas Light Co.

RP87-55 Application of Columbia Gas Tranmission for a Rate Increase.

PSC opposed effort of interstate pipeline to recover $653 million in extra gas costs as result of reforming take-or-pay contracts with its suppliers. Matter is now on appeal in D.C. Circuit in which the PSC has intervened.

RP87-154 Application of Gas Research Institute for rate approval.

ST87-2667 Application of the Washington Gas Light Co. for rate approval for the transportation of natural gas.

C. National Telecommunications and Information Administration

Docket No. 61091-6191 Comprehensive review of rate of return regulation of the U.S. telecommunications industry.

The NTIA initiated a proceeding to investigate alternatives to the traditional cost-based method of setting utility rates. The Commission filed lengthy comments demonstrating the faults in each of the proposed alternatives, and the need to retain existing law.

D. United States District Court for the District of Columbia Circuit

CA 82-0192 AT&T Divestiture Proceeding.

The Commission submitted lengthy comments in response to proposals to lift many essential restrictions on the Bell Companies.

PUBLIC SERVICE COMMISSION MEMBERS AND EMPLOYEES
(As of September 30, 1988, except as noted)

OFFICE OF THE CHAIRMAN

Patricia M. Worthy, Chairman
Margo Domon, Technical Assistant
Mary Goodwin, Administrative Assistant
LaWanda, Hale, Clerk Typist

OFFICE OF COMMISSIONER HANKINS-NESBITT

Ruth Hankins-Nesbitt, Commissioner
Jacqueline Reed, Technical Assistant
LaVerne Wilkins, Administrative Assistant

OFFICE OF COMMISSIONER LONG

Wesley H. Long, Commissioner
Richard E. Morgan, Technical Assistant
Delores Thompson, Administrative Assistant

OFFICE OF THE EXECUTIVE DIRECTOR

James E. Kerr, Executive Director
Maxine L. Woodland, Special Assistant
Steven Jumper, Budget Officer*
Eve Willis, Personnel Officer
Lystra Khan, Administrative Assistant
Willie Stokes, Personnel Assistant
Larry Tiamiu, Budget Assistant

OFFICE OF THE GENERAL COUNSEL

Howard C. Davenport, General Counsel
John P. Gregg, Assistant General Counsel*
Mary J. Sisak, Staff Counsel
Charles A. Tievsky, Staff Counsel
Toni B. Florence, Staff Counsel*
Johannes W. Williams, Staff Counsel
Daryl L. Avery, Staff Counsel
Lisa T. Holt, Staff Counsel
Phillip S. Cross, Staff Counsel
Thomas E. Redmond, Staff Counsel
Kenneth G. Vaughn, Staff Counsel
Thomas J. Moorman, Staff Counsel
Adrienne F. Parks, Legal Secretary*
Tracey Dean, Secretary
Juanita Newell, Secretary*
Gail Tawanna Haggans, Secretary*
Sachiyo Eden, Secretary
Jacqueline Poindexter, Secretary
Daisy Ellison, Secretary
Cynthia Floyd, Secretary

*Resigned before the end of FY 1988

PUBLIC SERVICE COMMISSION MEMBERS AND EMPLOYEES
(continued)

OFFICE OF THE COMMISSION SECRETARY

Mary B. Jordan, Commission Secretary
Jesse P. Clay, Asst. Comm. Secretary
Agnes B. Addison, Secretary
Richard Kulick, Docket Clerk
Elliot Canada, Clerk
Shirley Cureton, Clerk Typist
Theresa Hall, Receptionist*

OFFICE OF ACCOUNTING AND FINANCE

Norman Reiser, Director
Estella C. Bradley, Special Assistant
Dwayne Boyd, Chief Auditor
Dona Burney, Financial Analyst
Freda James, Auditor
Michael Sims, Auditor*
Leon Hurd, Auditor
Sharon Logan-McNair, Pub. Util. Asst.
Phyllis Willis, Reports Analyst (Acct.)
Hawah Bah, Secretary

OFFICE OF CONSUMER SERVICES

Vivian A. Jordan-Webb, Director
Shirley M. Dabney, Deputy Director
William Fesson, Consumer Specialist*
Donald Spears, Consumer Specialist
Myra Hendricks, Secretary

OFFICE OF ECONOMICS

Phylicia A. Fauntleroy, Director
Jeffrey Colvin, Economist*
Daniel Packey, Economist
Lawrence Fenster, Computer Programmer/Economist
James Minyard, Economist
Debra Hairston, Secretary

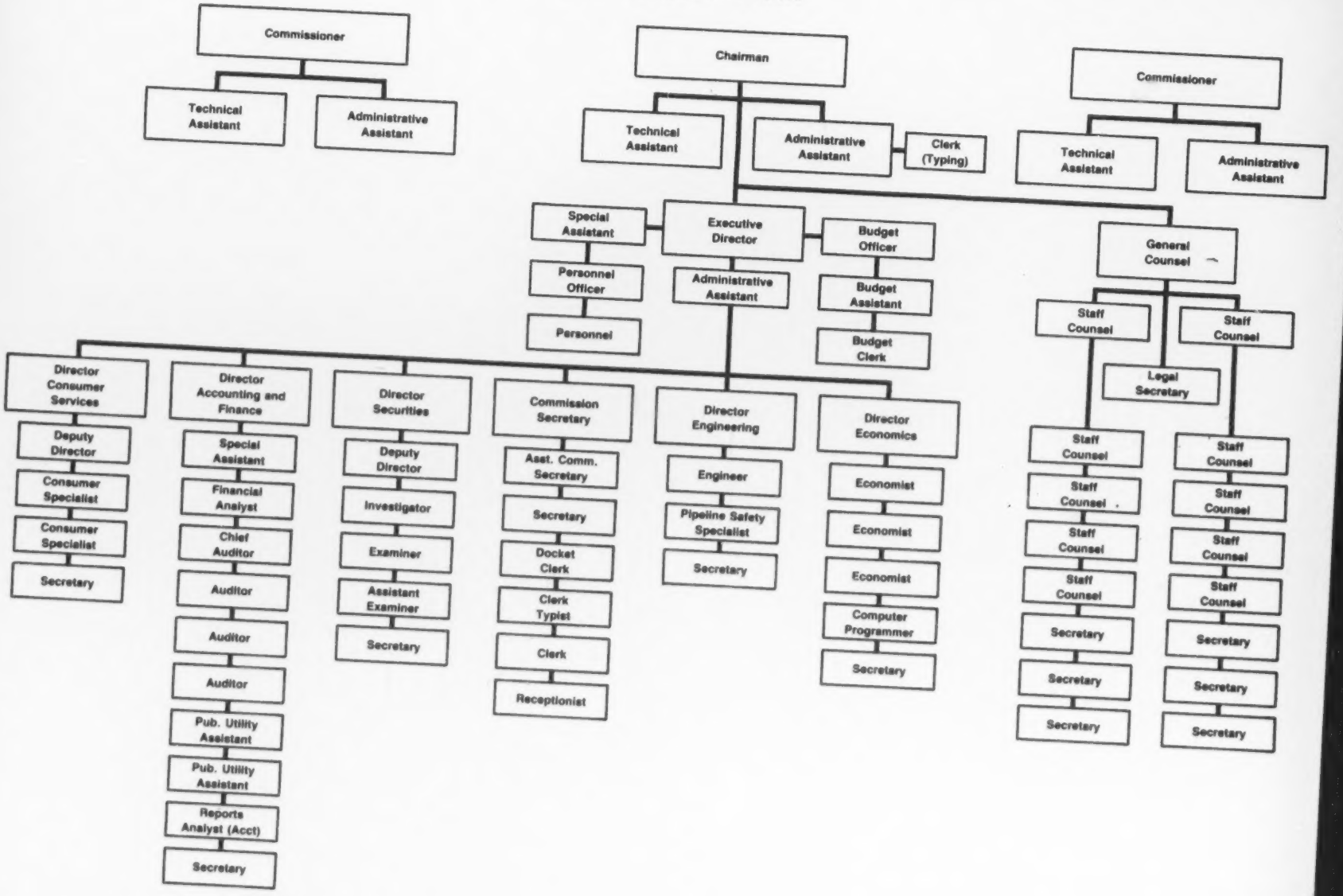
OFFICE OF ENGINEERING

Richard Huriaux, Director
James Bell, Pipeline Safety Specialist
Loretta McClure, Secretary

OFFICE OF SECURITIES

James F. Whitescarver, Director
Roy Bussey, Deputy Director
Maurice Goff, Examiner
Willie McFarland, Asst. Examiner
George Amsterdam, Secretary

ORGANIZATIONAL CHART



PUBLIC SERVICE COMMISSION
DISTRICT OF COLUMBIA

450 Fifth Street, N.W.
Suite 300

Washington, D.C. 20001

Telephone: (202) 626-5100

PATRICIA M. WORTHY, Chairman
RUTH HANKINS-NESBITT, Commissioner
WESLEY H. LONG, Commissioner